Correspondent Seller Guide

Version 12.33

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1 Introduction

Correspondent Seller Guide (this "Seller Guide"), together with Exhibits and Addenda attached to this Guide and the Correspondent Mortgage Loan Purchase Agreement (the "CLPA") entered between CBC Mortgage Agency ("CBCMA", "we" or "us") and the applicable correspondent lender ("Seller"), set forth the terms and conditions for the sale of loans from Seller to CBCMA. For purposes of the Agreement and this Seller Guide, "Correspondent" and "Seller" shall have the same meaning (i.e. the party selling mortgage loans to CBCMA).

CBCMA is a subdivision of Cedar Band Corporation (the "Band"), a federal corporation created by the U.S. government through the Bureau of Indian Affairs for the Cedar Band of Paiutes of the Paiute Indian Tribe of Utah. The Cedar Band of Paiute Indians is a constituent band of the Paiute Indian Tribe of Utah, a federally recognized Native American tribe as contemplated by 25 U.S.C. §477 and 48 Stat. 984 under the Indian Reorganization Act of 1934 ("IRA"). The Band's council authorized CBCMA as an arm of the Band's government.

CBCMA's vision is to increase affordable and sustainable homeownership opportunities for creditworthy individuals who lack down payment funds. To accomplish this, CBCMA strives to build long-term loyalty with our business partners by dedicating ourselves to their success. CBCMA focuses on the development of market-leading, secondary mortgage loan products delivered with ease of process and outstanding customer service.

2 General

2.1 Severability, Enforceability, and Governing Law

In the event that 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 terms or provisions shall be replaced by such enforceable terms or provisions that come closest to the intention underlying the unenforceable terms or provisions. This Seller Guide must be construed in accordance with the internal laws of the State of Utah, disregarding its conflicts-of-law principles. Each of Seller and CBCMA irrevocably and unconditionally: (i) agrees that any suit, action or legal proceeding arising out of or relating to this Seller Guide must be brought only in the courts of record of the State of Utah, Salt Lake County or the District Court of the United States, District of Utah; (ii) consents to the jurisdiction of each such court in any suit, action or proceeding; (iii) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (iv) agrees that service of any court paper may be effected on such party by mail, as provided in this the Agreement, or in such other manner as may be provided under applicable laws or court rules in the State of Utah.

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References to laws in this Seller Guide are not intended nor should it be construed to be an acknowledgement that such laws are applicable to CBCMA. Nothing in this Seller Guide is intended as, nor shall be construed to be, a waiver of the sovereign immunity of CBCMA, Cedar Band Corporation, the Cedar Band of Paiute Indians, their respective entities, subdivisions, departments, districts, parent, subsidiary or affiliated companies, or their respective officers, council members, directors, employees, and/or agents.

2.2 Definitions

Capitalized terms used but not otherwise defined in this Seller Guide shall have the meanings given to those terms in Exhibit A to this Seller Guide, which is incorporated herein.

2.3 Supplement to Agreement

Attached as Addendum A to this Seller Guide (and incorporated herein) is the Supplement to Correspondent Mortgage Loan Purchase Agreement, which supplements the terms of the Agreement.

2.4 Entire Agreement

This Seller Guide (together with its Exhibits and Addenda, the Agreement, and the other documents referenced herein and therein) collectively (i) comprise the complete and final agreement by and between Seller and CBCMA relating to the transactions contemplated hereby, and (ii) cannot be contradicted by any other prior or contemporaneous oral or written agreement by or between Seller and CBCMA relating thereto, all of which shall be deemed to have merged herewith. In the event of a conflict between the terms of this Seller Guide and the terms of the Agreement or any other Seller Requirement, the terms of the Agreement (as supplemented by Addendum A), shall control.

CBCMA may revise, amend and update this Seller Guide from time to time in its sole discretion without prior notice to Seller. All changes are effective immediately when we post them to the Website and apply to the relationship between Seller and CBCMA thereafter.

3 Website and Client Site

3.1 Website and Client Site Content and Materials

The information on the CBCMA website and the Client Access Portal ("Portal") is for information purposes only. CBCMA does not warrant its completeness, timeliness, or accuracy. The information on the CBCMA website and Portal is not intended as an offer or solicitation for the purchase of any security or any other financial instrument. Seller should not rely upon CBCMA to guide them in the legal requirements applicable to the origination of mortgage loans.

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Seller must ensure that it is aware of, understands and implements all applicable federal, state and local laws.

The information and materials contained on the CBCMA website and Portal, 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 in all states.

The CBCMA website may have separate or additional terms and conditions, or both, from the terms and conditions governing access to the website and the Portal. In the event of a conflict, the additional terms and conditions shall govern those relevant sections or pages. In addition, certain portions or pages of the website or Portal may be subject to additional disclosures and disclaimers. In the event of a conflict between those disclosures and disclaimers in these terms and conditions, the additional disclosures and disclaimers shall govern those portions or pages.

Seller agrees that it will not engage in any activities related to the CBCMA website or Portal that are contrary to Applicable Law, or the terms of any agreement Seller has with CBCMA or its affiliates.

Seller also agrees that it will establish commercially reasonable security procedures and controls where the CBCMA website or Portal requires identification (for access or to perform transactions or processes). Seller agrees to limit access of Seller passwords, or other identifying information, to authorized individuals.

CBCMA or its suppliers may discontinue or make changes in the information, products, or services described herein at any time without prior notice to Seller and without any liability to Seller. Any dated information is published as of its date only, and CBCMA is not obligated to update or amend any such information. CBCMA reserves the right to terminate any or all website offerings or transmissions without prior notice of any kind to the user. By offering information, products, and services via the CBCMA website or the client site, no distribution or solicitation of any kind is made by CBCMA to any person to use the website, Portal, or such information, products, or services in jurisdictions where the provision of the website, Portal, or such information, products, or services is prohibited by law.

3.2 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 client site (including all information and materials contained on the client site) are provided “as is” and “as available.” CBCMA and third-party data providers are not providing any warranties and representations of any kind with regard to the CBCMA website or client site, including any implied warranties of merchantability, non-infringement of third-party rights, freedom from viruses or other harmful

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code, or fitness for any particular purpose. Further, CBCMA 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 client site, or for incompatibility between the website and client site files and the user's browser or other site accessing program. Nor will CBCMA be liable for any other problems experienced by the user due to causes beyond the control of CBCMA. No license to the user is implied in these disclaimers.

Under no circumstances will CBCMA 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 CBCMA website or client site or any portion thereof, regardless of whether CBCMA 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.

4 Doing Business with CBC Mortgage Agency on FHA Insured Loans

CBCMA follows applicable published FHA handbooks, mortgagee letters, and announcements with some minimal overlays as outlined in this guide. There may be updates or modifications to Agency Guidelines that are not reflected in this Seller Guide. Such updates and modifications shall apply, and Seller should not rely on this Seller Guide for the latest Agency Guidelines. Seller is obligated to perform its own review of such Agency Guidelines.

4.1 Seller Eligibility

To be eligible to sell FHA mortgage loans to CBCMA, Seller must meet the specific eligibility requirements determined by FHA.

4.1.1 FHA Direct Endorsed (DE) Program Eligibility Requirements

The following requirements must be met to be eligible:

- ❑ Meet all other CBCMA eligibility requirements, as applicable.
- ❑ Meet HUD's minimum loan insurance requirements as defined by FHA Single Family Housing Policy Handbook HUD 4000.1, "Doing Business with FHA".
- ❑ Be issued Direct Endorsement (DE) approval through HUD and provide HUD approval documentation to CBCMA.
- ❑ Have a sufficient number of DE underwriters on staff for production volume; must provide CBCMA with resumes for DE underwriters.
- ❑ Be in good standing with HUD and other applicable agencies.

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- ❑ Maintain a HUD compare ratio of less than or equal to 150% (Sellers with a compare ratio greater than 150% may be considered on an exception basis).
- ❑ Provide written QC plan, which must include a pre-closing audit process and a minimum of two months of management reporting as described in the Quality Control, Oversight and Compliance section in FHA Single Family Housing Policy Handbook 4000.1.
- ❑ Have a minimum of two years of 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 million net worth.
    - ❑ Audited financials in accordance with GAAP or Call Reports.
- ❑ Have a primary business location in a commercial location.

4.1.2 Independent Auditor's Report for FHA Originators

Sellers approved by FHA to originate FHA Mortgage Loans must provide an independent auditor's report on their internal controls over compliance for HUD-assisted programs, regardless of whether or not Seller is approved to sell or actively sell FHA mortgage loans to CBCMA. The report must include all applicable HUD letters and the computation of a HUD Net Worth Statement showing compliance with HUD's net worth requirements.

Any government loan not insured within sixty (60) days of loan closing may be subject to repurchase by Seller.

4.2 Maintaining Eligibility

To remain an approved correspondent in good standing, Seller must:

- ❑ Maintain eligibility and be in full compliance with all terms and requirements detailed in the "Eligibility" section of this guide.
- ❑ Actively participate in the programs described in this Guide.
- ❑ Complete and submit, within required timeframes, all documents requested by CBCMA as part of the Recertification Process or Quality Control request; requested documents may not be older than ninety (90) days at the time of application.
- ❑ Remit any fee and payment due to CBCMA within the requested time frame.
- ❑ Maintain a Neighborhood Watch Ratio below 150%.

4.3 Seller Renewal

To ensure approved Sellers continue to meet eligibility criteria, a renewal review will be performed periodically. The renewal review will consist of two parts:

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- ❑ Updated financial and lender documentation as requested by CBCMA.
- ❑ Review of Seller's performance and overall track record and history with CBCMA.

4.3.1 Renewal Process and Requirements

The renewal review occurs around the anniversary date of Seller's original approval or the last completion date of Seller's most recent renewal; however, CBCMA reserves the right to perform the review at any time. Sellers will be notified via Comergence of the review. The Comergence notification will include a request for any documentation necessary to complete the renewal process. Sellers must provide the necessary documentation within ninety (90) days of the request. Failure to provide the information within the required timeframe may result in suspension or termination.

4.3.2 Seller Performance

Seller's performance will be reviewed to ensure:

- ❑ Compliance with all terms of the CLPA, and adherence to all applicable federal, state, and local legal and regulatory requirements.
- ❑ Adherence to CBCMA guidelines and loan parameters as outlined in this guide.
- ❑ Continued adherence to the most current client eligibility standards set forth by CBCMA.
- ❑ Acceptable pull through rates have been met.
- ❑ Acceptable payment of all fees and payments due to CBCMA.
- ❑ Acceptable and timely response to any inquiries by CBCMA.

4.4 Terminated Sellers

Seller shall have its status as an approved seller to CBCMA terminated immediately upon any termination of the CLPA. The CLPA may be terminated for, among other reasons, if Seller does not comply with the terms of the CLPA, or the terms of the Guide and CLPA, or when substantive issues have been discovered (e.g., fraud, unacceptable loan delivery performance, etc.),

In addition, if the reason for termination was the result of misrepresentation or any other serious concern, Seller will be placed on the CBCMA exclusionary list.

4.5 HUD Termination

Sellers who are terminated by HUD from participating in the FHA program (based on Credit Watch or otherwise) will not be permitted to participate in the CBCMA down payment assistance program.

4.6 Pre-funding Quality Assurance by Seller

FHA mortgage loans must adhere to the quality control standards of FHA Single Family Housing Policy Handbook 4000.1.

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Seller must provide CBCMA with a copy of their quality control plan, and their fair lending and AIR policy, prior to becoming an approved correspondent with CBCMA. Additionally, correspondents must provide updates to policies upon request thereafter.

4.6.1 Quality Control Compliance

Quality Control compliance is a cooperative effort to mitigate fraud and risk in our lending environment and is also mandated by governing agencies, such as HUD and Fannie Mae®. Correspondent cooperation is mandatory when it comes to response and delivery of post-closing documentation.

Seller should refer to Section 6.d of Addendum A of the CLPA for guidance on Seller's failure to deliver timely Mortgage Loan documents.

Purchaser shall have the right at any time to perform a quality control review of any Mortgage Loan that We purchase under this CLPA, including, without limitation, independent credit report verifications, appraisal reports, and property inspection. If Purchaser is required by an investor to conduct or assist in a property inspection of the Mortgage Property, Seller agrees to assist the investor or Purchaser in conducting the inspection.

4.7 Adherence to Fair Lending Standards

Sellers must understand and acknowledge that CBCMA is fully committed to the principles of fair lending and requires each of its business partners, including Sellers, to follow similar principles. CBCMA additionally requests that Sellers and all CBCMA's owners, officers, partners, agents, and employees are adequately trained in fair lending policies and procedures. Sellers must hereby acknowledge that they have received and reviewed the Fair Lending Policy adopted by CBCMA and that the Seller has taken and will continue to take action to ensure that each of Seller's owners, officers, partners, agents, and employees are adequately trained in and follow generally recognized fair lending policies and procedures.

4.7.1 Fair Lending Policy

CBCMA is committed to providing meaningful mortgage credit services to all customers and potential customers within diverse communities on a fair and equitable basis. We will provide every customer and potential customer with an equal opportunity to apply for available mortgage services. We believe that our commitment to fair lending is a good and sound business practice that allows Us to serve all our customers and communities. We believe that our success at serving a wide range of consumer and business credit customers is essential to the economic vitality of CBCMA.

CBCMA will not tolerate discrimination in its lending or business practices by any of our officers, employees, or approved mortgage companies in serving our customers and potential customers. CBCMA will always strive to lead by example, ensuring that fair lending principles

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are fully integrated into all our corporate policies and procedures, our marketing efforts, and our relationships with third parties involved in the credit process.

We believe that our commitment to fair lending is strengthened and reinforced by our equally strong commitment to the creation of a diverse workforce that will continue to reflect the values, aspirations, and spirit of our multicultural communities, and thereby allow us to better understand and respond to the legitimate multi-faceted credit needs of our communities.

To fulfill our commitment, we have empowered each of our officers and employees to use their best personal and professional efforts and resources to continue to make meaningful services available to all our customers and communities on a fair and equitable basis.

4.8 Equal Credit Opportunity Act

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

CBCMA requires all Sellers to be in strict compliance with the Equal Credit Opportunity Act.

4.9 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.).

4.9.1 Safeguards

Seller and CBCMA will maintain safeguards and take technical, physical, and organizational precautions to ensure consumer information against destruction, loss, alteration, unauthorized access, or disclosure to third parties while in the possession or under the control of Seller, Seller Agents, CBCMA, or CBCMA agents. The objective of each such precaution will be to:

- ❑ Ensure the security and confidentiality of consumer information.
- ❑ Protect against any anticipated threats or hazards to the security or integrity of consumer information.
- ❑ Protect against unauthorized access to or use of consumer information that could result in substantial harm or inconvenience to any customer.

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4.9.2 Unauthorized Access to Consumer Information

Seller and CBCMA will maintain sufficient procedures to detect and respond to any unauthorized possession, disclosure, use, or other security breaches involving consumer information.

4.9.3 Notification of Unauthorized Access

Seller and CBCMA will, without undue delay, notify the other party of any unauthorized or attempted possession, disclosure, use, or knowledge of consumer information when one party 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 information.

4.9.4 Furnishing Details of Unauthorized Access

Seller and CBCMA 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 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 information.

4.9.5 Cooperation

Seller and CBCMA will cooperate to correct any unauthorized possession, disclosure, or use of consumer information, or any other security breaches, and will cooperate in any litigation and investigation deemed necessary to protect consumer information.

4.9.6 Recurrence

Seller and CBCMA will use all reasonable efforts to prevent a recurrence of any unauthorized possession, use, or knowledge of consumer information.

4.9.7 Confidentiality—Standard of Care

Each Party will protect all consumer 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.

4.9.8 Restricted Disclosure

Seller and CBCMA may disclose consumer information to its agents, accountants, attorneys, and affiliates or subsidiaries (respectively, each party's "Third Party Recipients") if reasonably necessary in performing its duties. Seller and CBCMA agree that they will not disclose, release, or otherwise make available to any third party any consumer information without the other party's prior written consent, provided, however, that Seller and CBCMA are each responsible

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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.

4.9.9 Consumer Privacy and Mortgage Loan Documents

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

4.10 Principal/Authorized Agent Relationship

A Principal/Authorized Agent Relationship is one in which a mortgagee with unconditional DE authority permits another DE-approved mortgagee to underwrite mortgages on its behalf. A mortgagee with unconditional DE authority (acting as the "principal") can designate another DE-approved mortgagee to act as its "authorized agent" for the purposes of underwriting mortgages. A sponsored Third-Party Originator (TPO) may not act as a principal or authorized agent.

4.10.1 Required Authorities

The authorized agent must have unconditional DE authority to underwrite the type of mortgage that is being underwritten. The Seller must be approved as follows:

- ❑ To originate forward mortgages:
  - ❑ The principal may have unconditional DE authority for either forward mortgages or HECM.
  - ❑ The authorized agent must have unconditional DE authority for forward mortgages.
- ❑ For this process:
  - ❑ The principal must originate the mortgage, and the authorized agent must underwrite the mortgage.
  - ❑ The mortgage may be closed in either Borrower's name, and either may submit the mortgage for insurance endorsement.
- ❑ With required documentation:
  - ❑ The relationship must be documented in FHAC by the authorized agent.
  - ❑ Additionally, the principal's FHA Lender ID must be entered in the "Originator" field on the FHA case file and in FHAC.

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4.11 Exclusionary Lists—LDP/GSA

The Seller must not employ or contract with any individuals or entities excluded from participation in FHA programs. In addition, a mortgage is not eligible for FHA insurance if anyone participating in the mortgage transaction is listed on HUD's LDP list (Limited Denial of Participation) or in SAM (System for Award Management) as being excluded from participation in HUD transactions. A list of Parties to the transaction which must be searched can be found in FHA Handbook 4000.1.

5 Summary of Program

5.1 Chenoa Fund® Down Payment Assistance Program

Chenoa Fund® down payment assistance (DPA) is a subordinate mortgage loan program, paired with FHA first mortgages. The DPA amount is 3.5% or 5% of the purchase price or appraised value of the home, whichever is lower. This amount is rounded up to the nearest whole dollar.

In either case, this assistance may be applied toward the Borrower's minimum required investment, closing costs, or prepaid items, or any combination of the three. The Chenoa Fund loan is subordinate in priority to the first mortgage, which is sold to CBCMA. The Seller receives a yield spread premium and is reimbursed by CBCMA for the second mortgage.

Chenoa Fund secondary financing assists homebuyers in meeting their minimum required investment when purchasing a home using an FHA insured mortgage for a primary residence. All buyers must sign the note and deed of trust (or mortgage, in applicable states) for the secondary financing.

Additional assistance (gift or secondary financing) may be combined with CBCMA's assistance programs as long as the underlying FHA-insured loan is sold to CBCMA and any CBCMA lien is in second position. The only fees chargeable to the borrower in conjunction with the secondary financing are prepaid interest, recording fees for the Deed of Trust, reasonable settlement fees, any governmental levied property tax stamps or recording taxes, a courier fee to return the signed documents to the Lender, and a MERS registration/transfer fee.

First mortgage loans must be a fixed rate and conform to standard FHA guidelines. High balance loans are acceptable, except for the 5% down payment assistance product when using the forgivable option. Eligible loan programs:

- ❑ FHA 203(b) 1–2 units, primary residence only.

When secondary financing is used, a second lien loan application is not required if disclosed appropriately in conjunction with the first lien. Otherwise, a second lien loan application must be completed and executed by the borrowers. In either instance, the respective loan application must

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identify the source of funds as “CBC Mortgage Agency”, including accurate loan amount and repayment terms of the secondary financing.

In all cases, first mortgage loans submitted to CBCMA must conform with HUD’s FHA 4000.1 handbook and be of investment quality and saleable on the secondary market. Origination partners must be fully delegated by FHA. They are expected to prudently underwrite all loans and to ensure that the file contains adequate documentation to support both the information represented in the borrower’s loan application and the data elements entered into automated underwriting systems. The mortgage loan and the disbursement thereof must meet, or be exempt from, applicable state and federal laws, regulations, and other requirements pertaining to usury, fees, and expenses incurred in the making of a mortgage loan.

All secondary financing is issued in strict compliance with FHA guidelines to homebuyers qualified for an FHA-insured loan, whether tribal members or not. In addition to all FHA guidelines, this document contains requirements that apply to each loan issued. All first mortgage loans funded in conjunction with CBCMA’s down payment assistance program must fully comply with FHA guidelines regarding Secondary Financing from a Government Entity, found in HUD Handbook 4000.1.

For all general underwriting requirements not referenced here or affected by CBCMA overlays, please refer to FHA 4000.1 (found at www.hud.gov).

The repayable secondary financing has a 10-year term with an interest rate 1% higher than the interest rate on the first mortgage.

The forgivable secondary financing has a 30-year term, no interest rate, and no monthly payments.

Forgiveness terms for both the 3.5% and 5% DPA:

Forgiven once the Borrower makes thirty-six (36) **consecutive, on-time** payments on the FHA first mortgage. (The Borrower must request forgiveness once forgiveness conditions are met and provide payment for processing the lien release.) This forgiveness period resets if the borrower makes a late payment on the first mortgage.

If this forgiveness condition is not met before the end of the 30-year term, then the loan may be forgiven at the Borrower’s request and upon the Borrower’s payment of processing the lien release. This loan permanently loses its forgivable status if, during the initial thirty-six (36) payments on the first mortgage, the borrower refinances the first mortgage and state law allows the second mortgage to subordinate without prior consent from CBCMA.

Please reach out to servicing@chenoafund.org to discuss subordinations. The loan must be repaid upon refinance or transfer of homeownership if forgiveness conditions are not met.

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Please refer to CBCMA's daily rate sheet for interest rates on FHA first mortgages.

5.2 USDA Offerings

CBCMA is pleased to offer the Chenoa Fund USDA Rural Development (RD) 30-year program to all Sellers.

The USDA loan is a zero-down mortgage program that is meant to support homeownership in rural and semi-rural areas. USDA home loans are designed to provide "low and moderate-income households" an opportunity to own a home with little to no down payment. Like its definition of "rural," what it considers moderate income is generous. A Borrower can make up to 115% of the area's median income and still qualify. The higher the city's typical income, the more an individual can earn and still be eligible.

The home must be within a USDA-eligible area. (https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp) There are no exceptions granted.

First mortgage loans submitted to CBCMA must conform with USDA 3555-1 Technical handbook as well as the FHA 4000.1 Handbook and be of investment quality and saleable on the secondary market. Secondary Financing with the USDA program is not allowed.

5.3 Product Comparisons

If you would like a visual of the Chenoa Fund product offerings, please visit chenoafund.org for a product matrix, which provides a summarized version of the Seller Guide.

As already mentioned, each Chenoa Fund option has its own requirements and guidelines, which are detailed in the rest of this section. The following definitions will help clarify what guidelines refer to which product:

> **All FHA**—Applicable to Chenoa Fund for FHA products (3.5% DPA and 5% DPA; repayable and forgivable).
> **First Mortgage**—A requirement for the first mortgage that doesn't necessarily apply to the second mortgage.

5.3.1 Program Notes and Disclaimers

All FHA: CBCMA adheres to all posted guidelines for FHA eligibility as found in the FHA Housing Handbook, 4000.1. All other posted program notes or guidelines are overlays of CBCMA and the Chenoa Fund program.

5.3.2 High Balance Loans

A high balance loan is any loan that exceeds the FHFA loan limit (typically the standard conforming loan limit, **not** the individual county conforming loan limit). In AK and HI the

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FHFA limit is higher than in the continental US and is the threshold used to determine whether or not a loan is high balance.

High balance loans are allowed for 3.5% or 5% repayable down payment assistance and for 3.5% forgivable down payment assistance. High balance loans are not allowed for 5% forgivable down payment assistance.

5.4 First Mortgage

All FHA Programs: The FHA mortgage paired with Chenoa Fund down payment assistance must be a 25-year or a 30-year fixed rate term with full amortization only. **The first mortgage must be purchased by CBCMA**.

The mortgage type must be FHA 203 (b) 1–2 units, primary residence only. The following property types are allowed: SFR, PUD, townhome, condo, attached, detached, modular, and manufactured housing. (Note that manufactured homes must meet the requirements outlined in Manufactured Housing section of this Guide.)

5.4.1 DPA Funding/Reimbursement

First Mortgage: Seller funds the down payment assistance at closing and is reimbursed upon CBCMA's purchase of the first mortgage under the terms of the Funding Obligation Letter issued at loan registration.

5.4.2 Loan Purpose

First Mortgage: Purchase only.

5.5 Borrower Income Limits

All FHA: There are no income limitations.

5.6 Occupancy and Property Type

All FHA: One of the borrowers must occupy the property as their primary residence. All other FHA guidelines apply. SFR, PUD, townhome, condo, attached, detached, modular, and manufactured allowed.

5.7 First-time Homebuyer

All FHA: If the Borrower has a previous rental history and would like it to be considered in the AUS for TOTAL Scorecard Feedback Results, there are some specific requirements to be addressed but a previous rental history is not required (see 4.12 for clarification).

Per FHA Mortgagee Letter 2022-17.

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5.8 Minimum Credit Score

CBCMA follows industry standards (middle of three, lower of two) for determining which credit score to use for all Chenoa Fund credit score requirements.

All FHA: 600 credit score. Use the lowest middle credit score on the loan. CBCMA requires that all borrowers have at least one credit score.

5.9 DTI Requirements

DTI overlays are determined by the qualifying credit scores on the loan.

All FHA: Credit Score 600+: DTI per AUS approval.

5.10 Present Housing Expense & Verification of Housing Payment

All FHA:

- ❑ Renting from Family Member: Must provide a copy of the lease or a letter of explanation and twelve months of cancelled checks or bank statements.

5.11 Homebuyer Education

All FHA: Required for borrowers with qualifying credit scores from 600–639. This course must be taken prior to closing and within the last year.

5.11.1 Homebuyer Education for loans with an Approve/Eligible

Borrowers with a credit score of 600–619 are required to take the prepurchase counselling session for the Borrower Success Program through Money Management International. This course is accessible here and is paid for by CBCMA (for borrowers in this credit score band). Borrowers can take the course after their loan is registered in the CBCMA Portal and they receive a CBCMA loan number.

Borrowers with a credit score of 620–639 may use any HUD-approved counseling course (you can access a list of HUD-approved courses here; in addition, the Framework® and Homeview® are allowed as well). CBCMA will pay the course fee for those borrowers who choose to take the prepurchase counselling sessions for the Borrower Success Program through Money Management International if they are in this credit score band.

All borrowers with scores less than 640 are required to take a homebuyer education course. Any borrowers on your transaction with a qualifying credit score equal to or greater than 640 are not required to take a course.

5.11.2 Homebuyer Education for Manual Underwrites

ALL Borrowers must take a Home Buyer Education (HBE) course regardless of credit score.

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- For borrowers with a credit score between **600 – 639,** they must take the prepurchase counselling course through CBCMA's Borrower Success Program by Money Management International, note this credit score overlay is different from the HBE required on approved loans.
- For borrowers with a credit score of 640 and above, they may take any HUD approved HBE course.

5.12 Acceptable Sources of Funds for Down Payment and Closing Costs

All FHA: Gifts, grants, and CBCMA second mortgages. Any eligible loan may have more than one subordinate lien (i.e., third lien). Sweat equity is acceptable in accordance with FHA guidelines.

5.13 Manufactured Homes

All FHA: Permitted. For more information, see Section 6 of this Seller Guide for guidance on Manufactured Housing.

5.14 Non-occupant Borrowers

All FHA: Allowed (family members or relatives only, as defined by FHA).

5.15 Loan Amounts (Minimum and Maximum)

All FHA Programs: Per FHA guidelines. Varies by county. CBCMA has no overlays for maximum or minimum loan amounts.

5.16 Maximum LTV/CLTV and Subordinate Financing

All FHA: The CLTV is only limited by FHA Guidelines.

- ❑ LTV from 90–96.5%

5.17 Ineligible Borrowers

CBCMA will rely on Correspondent to document lawful residency in accordance with FHA guidance. We will enforce our reps/warrants policy to the extent that FHA audits any loan and finds that a borrower does not meet these definitions of lawful residency.

All FHA: Any borrower that does not meet FHA's definition of a lawful, legal resident of the United States.

5.18 Private Mortgage Insurance (MI) Coverage

All FHA: Standard FHA coverage. See FHA Single Family Housing Policy Handbook Appendix 1 for further details: HUD Handbook 4000.1.

Access Mortgagee Letter 1/20/17.

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5.18.1 Transferring Private Mortgage Insurance

Servicing Transfer address:

CBC Mortgage Agency
912 W Baxter Drive, Suite #150
South Jordan, UT 84095

Methods to Notify Radian of a Loan Sale or Transfer of Servicing:

- ❑ EDI: Initiate EDI submission
- ❑ MI Online:
  - Access MI Online: www.mionline.biz.
  - Click the *Loan Servicing* tab and make the appropriate selections.
- ❑ Email: Send the appropriate forms (the *Activation Notice* or Radian's *Notice of Loan Sale and/or Request for Transfer of Servicing*) to customercare@radian.com.

5.19 Guidance on Fees

5.19.1 Fees to CBCMA

All Programs: $399 Admin Fee.

Lender fees are not allowed on secondary financing. The only fees chargeable to the borrower in conjunction with the secondary financing are:

- Prepaid interest
- Recording fees for the Mortgage.
- Reasonable settlement fees
- A courier fee to return the signed documents to the Seller
- AMERS registration/transfer fee

The $399 admin fee is charged to Seller and is reflected on the Purchase Advice as a deduction from the total loan sale proceeds. This fee is a secondary market cost to Seller and is not part of the primary transaction, therefore it is not appropriate to charge this fee in section B or C of the LE/CD. Any addition to the lender's fees to the borrower to offset this charge must never reflect as a charge payable to CBCMA and must always be listed in Section A, paid to Seller (for example, included in the Origination Charges or as a separate line-item charge).

Any fees added to Section A must be included in the TRID points & fees test. Fees on the LE and CD should never reflect as payable to CBCMA, or Chenoa Fund, regardless of the section. Regarding discount points, CBCMA follows FHA Handbook 4000.1 and CFPB guidelines for TRID, at no time will CBCMA purchase a loan that exceeds 3% QM points and fees test.

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5.19.2 Seller Credits

CBCMA allows seller credits as long as they meet FHA/HUD Handbook 4000.1 requirements.

The Interested Parties' contribution of up to 6% of the sales price would include temporary interest rate buydowns. The buydown is not to be paid for by the buyer or from the down payment assistance.

5.19.3 Fees to Originator

All Programs: CBC Mortgage Agency does note purchase loans that exceed the QM 3% points and fees test.

5.20 AUS

All FHA: DU®, Loan Prospector, or TOTAL Scorecard.

5.21 Max Units

All FHA: Max two units. Three to four units are ineligible. Accessory Dwelling Units are allowed per FHA guidelines.

5.22 Manual Underwriting

CBCMA allows Manual Underwriting, following FHA Agency Guidelines, with the following overlay requirements:

- ❑ To be eligible for a Manual Underwrite, the borrower must have a minimum credit score of at least 600.
- ❑ The maximum qualifying ratio is 37/47%.
- ❑ **ALL** Borrowers must take a Home Buyer Education (HBE) course regardless of credit score.
    - For borrowers with a credit score between **600 – 639,** they must take the HBE by Money Management International, note this credit score overlay is different from the HBE required on approved loans.
    - For borrowers with a credit score of 640 and above, they may take any HUD approved HBE course.
- ❑ VA Residual income worksheet as needed to meet FHA compensating factors.
- ❑ Written VOR verifying satisfactory payments for a minimum of the previous 12 months housing history or
    - LOE for living rent free signed and dated by borrower(s) and the property owner verifying 12 months.
- ❑ Two-unit properties must provide appraisal form 1007/1025.
- ❑ There is a .25 pricing adjustment for Manual Underwrites.

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5.23 Additional Properties Owned

All FHA: Allowed. As a reminder, FHA guidelines regarding owner occupancy requirements must be met.

5.24 Appraisal Overlays

All FHA Programs: CBCMA does not purchase loans with a Condition rating of C5.

5.25 General Overlays

5.25.1 Cash Back to Borrower

All FHA: CBCMA follows FHA/HUD 4000.1 requirements for cash back to borrower.

5.25.2 Minimum Borrower Contribution

All FHA: $0. All funds needed to complete the transaction can come from a CBCMA-approved second lien.

5.25.3 HPML, High Cost, & QM Compliance

All FHA: HPML transactions are allowed. Requires all loans to be purchased to meet FHA 4000.1 guidelines. Additionally, we require that loans that are to be purchased by CBCMA to meet TRID and Quality Mortgage Rules (QM) and Guidelines. High-cost loans are not permitted. All first mortgages must adhere to QM/ATR compliance. Mortgage loans exceeding the 3% max points and fees test are not permitted unless cures are applied. Bona fide discount points must adhere to FHA & CFPB guidelines and any or all state regulations. Bona fide discount points do not count toward the 3% max points and fees test.

5.25.4 Rate Sheet Compliance

All FHA: The terminology of "discount points" has been clarified with regards to discussions surrounding the price paid by Seller for rates charged on our rate sheets. Please see the Correspondent Seller Guide, sections 4.21.1 (Fees to CBCMA) for a complete explanation and correct compliance interpretation.

For loans where discount points are present, Sellers may be required to include Seller's published rate sheet in the purchase package in order to allow CBCMA to determine bona fide discount points from discount points that must be counted toward the 3% max points and fees calculation (non–bona fide discount points). This rate sheet must be from the day the loan was locked.

Bonafide and Non-Bonafide fees

Bona-fide discount points exist when Seller's publishes a rate sheet that has, after application of all LLPAs, a par rate or that pays a premium. If a borrower selects a lower rate than that 'par or

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better' rate, then the discount point charged to get that lower rate would be a bona-fide discount point. CBCMA allows discount points per FHA & CFPB guidelines.

Non-Bonafide discount points exist when no 'par or better' rate exists on your company's published rate sheet. If the highest rate available results in a fee to the borrower, this fee is a non-bona-fide discount point. CBCMA allows non-bona-fide discount points, but they must be counted towards the maximum 3% points and fees rule.

This rate sheet must be from the day the loan was locked.

5.25.5 Required Documents

All FHA: Secondary financing requires the delivery of a complete second lien file to include an application, LE, CD, and all other state- and federal-required disclosures.

Secondary financing requires an initial, signed URLA; TRID compliant disclosures; and any state-required disclosures. In addition, we prefer to receive a final, signed URLA if information in the initial URLA changes.

The first mortgage file must contain a copy of the note, the deed of trust/mortgage, and a Funding Obligation Letter dated prior to the loan closing date.

CBCMA does not normally allow reverse bailees. If an exception is granted, the notes for both mortgages using a reverse bailee must be delivered to CBCMA within three (3) days after the reverse bailee is received.

5.25.6 Initial & Final URLA

All FHA: We do require both an initial and a final URLA, per Agency Guidelines.

We require either the initial URLA or the final URLA to contain the signature of the originating MLO. This is not a requirement of just the final. One should be signed, but both are not required.

Either the initial URLA, or the final URLA, must also be completed with the present housing expense section filled out. No exceptions.

5.25.7 Seller's CD

All FHA: A copy of the CD provided to Seller at closing is required on all transactions.

5.25.8 Intent to Proceed

All FHA: Documented Intent to Proceed is required on all transactions for all borrowers.

5.25.9 Gaps in Employment

All FHA: FHA guidelines require all loan applications to contain a complete two-year history of employment on the 1003. CBCMA may require a letter of explanation for files with less than

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two (2) years of employment history. The borrower must have two years of employment history at the time of the case assignment.

5.25.10 Self-employed Borrower Business Verification

All FHA: CBCMA requires that self-employed borrowers have their business verified as open and operating within thirty (30) calendar days prior to the Note date. Seller must provide one of the following to confirm that the business is open and operating:

- ❑ Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day Seller verifies self-employment).
- ❑ Seller certification that the business is open and operating (Seller confirmed through a phone call or other means).
- ❑ Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled).

5.25.11 Income Calculations

An income calculation worksheet for all income types is required.

5.25.12 Mortgage Credit Certificates (MCC)

All FHA: Allowed. All MCCs must be calculated according to FHA guidelines by adding the redit as income, not a payment reduction.

5.25.13 Vouchers

All FHA: Where relevant Agency Guidelines allow, CBCMA will accept Section 8 vouchers.

5.25.14 Mortgage Insurance Certificate (MIC)

All FHA: Upfront MIP must be paid prior to purchase.

MICs are not required to be delivered prior to purchase but must be delivered to CBCMA within sixty (60) days of the note date.

This will help us better align with industry standards for mitigating risk and preventing secondary delivery delays. Fees will be applied if delivery dates are not met. For more information, contact finaldocs@chenoafund.org.

5.25.15 Flood Certificate

All Programs (First Mortgage): Flood certifications must include a life of loan certification. Flood policies must be in effect at closing.

All FHA: If flood insurance is required, CBCMA will follow FHA guidelines and accept either Private Flood Insurance or National Flood Insurance.

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Please note that a property is not eligible for FHA insurance if a residential building and related improvements to the property are located within SFHA Zone A (a Special Flood Zone Area) of Zone V (a coastal area) and insurance under the National Flood Insurance Program (NFIP) is not available in the community.

A property is not eligible for FHA insurance if the improvements are or are proposed to be located within a Coastal Barrier Resource System (CBRS).

For more information, please refer to Flood Insurance FHA 4000.1.

5.25.16 Disaster Certificates

All FHA: In counties that have been deemed disaster areas by FEMA (Federal Emergency Management Agency), CBCMA requires a lender certificate or a 1004D disaster certificate, with exterior photos..

CBCMA does not have the responsibility to provide notification to Seller of disaster areas and will not purchase a loan if the home is damaged. If, at any time after loan purchase, CBCMA or a subsequent investor determines that the subject property was damaged and not in fully marketable condition at time of sale, the loan may be subject to repurchase.

5.25.17 Exceptions

All FHA: Exceptions may be considered on a case-by-case basis by our Exceptions Team. Exceptions may be granted but our Exceptions Team to Chenoa Fund overlays, but never Agency guidelines.

Exception requests should be submitted while registering a loan on the Portal; instructions on how to do this are available in the micro trainings in the Client Access Portal. For loans already registered, email scenariodesk@chenoafund.org and include the following in a secure email:

- ❑ CBCMA Loan Number.
- ❑ A detailed description of the exception and compensating factors.
- ❑ The following documents:
- ❑ AUS.
- ❑ 1st mortgage 1003/URLA (completed with Lender information).
- ❑ 92900-LT (Loan Transmittal) or 1008.
- ❑ Credit Report.
- ❑ **If using Retirement/401K Assets for Reserves** – *Please provide ALL pages of the most recent Retirement Asset Statement.*
- ❑ VA Loan Analysis/Completed Residual Income Worksheet - (While the loan is not a VA loan, this document is used to determine risk in our exception review process. You may find an Excel sheet to help you complete a Residual Income test on the Documents and Tools page of our website).

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- ❑ VOR or Rent Free LOE signed by both parties, when applicable.
- ❑ For 2-unit properties - provide 1007 if applicable.

Loans must be registered in the Portal for an exception request to be considered valid; responses to exceptions not registered in the Portal are considered hypothetical until the loan has been registered and the exception recorded.

5.26 State-specific Guidance

5.26.1 Alaska and South Carolina

All FHA: In Alaska and South Carolina, the minimum second mortgage loan amount is $5,000.

5.26.2 North Carolina

All FHA: In North Carolina, per state law, origination fees are capped at 1% for loans under $300,000. For loans equal to or above $300,000, lenders may exceed the 1.5% origination fee cap if there are no fees charged in the origination section of the CD (Section A) other than the origination fee. Loans must comply with QM guidelines (i.e. the 3% points and fees test).

5.26.3 New York

All FHA: CBC Mortgage Agency does not offer the Chenoa Fund program in the state of New York.

5.27 USDA 30

CBCMA is pleased to offer the Chenoa Fund USDA RD 30-year program to Sellers.

The USDA loan is a zero-down mortgage program that is meant to support homeownership in rural and semi-rural areas. USDA home loans are designed to provide "low and moderate-income households" an opportunity to own a home with little to no down payment.

Like its definition of "rural," what it considers moderate income is generous. A borrower can make up to 115% of the area's median income and still qualify. The higher the city's typical income, the more an individual can earn and still be eligible.

The home must be within a USDA-eligible area. (https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp) There are no exceptions granted.

First mortgage loans submitted to CBCMA must conform with USDA 3555-1 Technical handbook as well as the FHA 4000.1 Handbook and be of investment quality and saleable on the secondary market. Secondary Financing with the USDA program is not allowed.

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6 Manufactured Housing

A manufactured home (MH) is a home that is built in a factory, is transportable in one or more sections, is designed and constructed to the Federal Manufactured Home Construction and Safety Standards (FMHCSS) and is so labeled regarding conformance with the FMHCSS.

6.1 FHA Requirements

Manufactured homes are eligible for FHA financing, provided all the following requirements are met:

- ❑ Home was built on or after June 15, 1976, as evidenced by the HUD Data Plate, the appraisal, or the title policy.
- ❑ Home must have been built to the FMHCSS as evidenced by having a HUD Certification.
- ❑ Label/Tag is attached to the MH, or, if the HUD Tag is missing, a HUD Tag Letter of Verification from the Institute for Building Technology and Safety (IBTS); see HUD Certification Label/Tag for additional details.
- ❑ Home must be permanently affixed to the subject property in accordance with FHA requirements.
- ❑ Subject must be legally classified by the state as real property prior to loan purchase.
- ❑ Subject is a single-family dwelling.
- ❑ Loan is underwritten in accordance with the requirements of the applicable Loan Program Guide.
- ❑ Mortgage must cover both the home and the land.

6.2 CBC Mortgage Agency Additional Guidance

Unless otherwise specified here as an overlay, CBCMA adheres to all FHA guidelines for manufactured housing requirements. For more detailed underwriting clarifications, see the FHA housing handbook. Manufactured homes are only eligible for Chenoa Fund products paired with FHA first mortgages.

New construction is allowed for manufactured housing. The home title conversion to real property must be initiated prior to loan purchase. In Non-certificate of Title States, the house must be recognized as real property prior to loan purchase.

If not mentioned in this chapter, follow FHA guidelines for manufactured housing requirements and Chenoa Fund overlays relevant to specific products.

6.2.1 Minimum Required Credit Score

600 credit score minimum. CBCMA requires that all borrowers have at least one credit score.

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6.2.2 DTI Requirements

DTI overlays are determined by the qualifying credit scores on the loan.

All FHA: Credit score 600 or higher. DTI per AUS approval.

6.2.3 Appraisal Requirements

Fannie Mae™ 1004C, Manufactured Home Appraisal Report, is required. We also need Form 1004D, Appraisal Update and/or Completion Report, if this is needed to document repair completion.

6.2.4 Ineligible Features and Properties

The following features are ineligible:

- ❑ Building on own land.
- ❑ Construction to Perm.
- ❑ Easements and deed restrictions that affect marketability must be reviewed and approved by CBCMA to be eligible for purchase, unless the easement or deed restriction expires upon foreclosure (requests for review should be submitted to scenariodesk@chenoafund.org); however, deed restrictions allowed per FHA 4000.1 are permissible.
- ❑ Loans with resale deed restrictions.
- ❑ Proposed or Under Construction loans.

The following properties are ineligible:

- ❑ 2–4 unit properties.
- ❑ Cooperative.
- ❑ Manufactured homes in "Parks" not held in fee simple ownership, commonly known as "Mobile Home Parks".
- ❑ Properties with resale restrictions.
- ❑ Site Manufactured Housing Condominiums.
- ❑ A home that has been previously installed or occupied at any other site.

6.2.5 Occupancy

Primary residence only.

6.2.6 HUD Certification Label/Tag

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The Federal Manufactured Home Construction and Safety Standards require that manufactured homes have a HUD Certification Label/Tag (also known as a HUD Seal or HUD Label) affixed to the exterior of the property.

The following website provides details regarding the cost and procedures for obtaining a HUD Tag Letter of Verification: http://www.ibts.org/services/services-in-the-public-good/cert-label-verification.html.

Either the HUD tag or the HUD Tag Letter of Verification must be included in the loan file.

Structural Engineering Report (Engineer's Certification on Foundation Compliance Report)

A Structural Engineering Report is required—see HUD Manual for details.

The following is an excerpt from the HUD manual: "For Manufactured Housing, the appraisal must be conditioned upon the certification of an engineer or architect that the foundation is in compliance with the permanent Foundations Guide for Manufactured Housing."

Note that all Sellers are fully delegated and are subject to reps/warrants. Lenders in pre-purchase review will be expected to meet all FHA guidelines before CBCMA purchases the loan.

6.2.7 Title Requirements

The title policy must evidence the following:

- ❑ The manufactured home is attached to the land.
- ❑ The manufactured home is classified and taxed as real estate.
- ❑ The title to the manufactured home has been surrendered or purged in accordance with the applicable jurisdictional requirements.

A manufactured home must be covered by a standard real estate fee simple title insurance policy. Endorsement (ALTA 7, 7.1, or 7.2, or equivalent endorsement) is required as insurance that the manufactured home is part of real property that secures the loan. One clear title at closing is required that states the manufactured home and the land are classified as real estate. An affidavit of affixation, a recorded, signed, and written statement acknowledging that the manufactured home is attached and classified as real property securing the mortgage, is required.

7 Origination Through Closing

7.1 General Mortgage Loan Document Standards

Closing documents for Agency Mortgage Loan Programs must be the most current Agency forms, as applicable. In all cases, Sellers are responsible for using the most current documents

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required by Agency Guidelines and ensuring that all documents, including, without limitation, any document supplied by CBCMA, conform to all Applicable Requirements.

7.2 Document Expiration Dates

Documents used in the origination and underwriting of a mortgage may not be more than one hundred and twenty (120) days old at the disbursement date (including new construction). Documents whose validity for underwriting purposes are not affected by the passage of time, such as divorce decrees or tax returns, may be more than one hundred and twenty (120) days old at the disbursement date (the disbursement date for refinance transactions). Appraisal expiration date is one hundred and eighty (180) days from Effective Date of Appraisal.

For purposes of counting days for periods provided in this document, a "day" is a calendar day (not a Business Day), and day one (1) is the day after the effective or issue date of the document, whichever is later.

7.3 Handling of Documents

Sellers must not accept or use documents relating to the employment, income, assets, or credit of borrowers that have been handled by, or transmitted from or through, the equipment of unknown parties or interested parties. Sellers may not accept or use any third-party verifications that have been handled by, or transmitted from or through, any interested party or the borrower.

7.3.1 Information Sent to the Lender Electronically

Seller must authenticate all documents received electronically by examining the source identifiers (e.g., the fax banner header or the sender's email address) or contacting the source of the document by telephone to verify the document's validity. Seller must document the name and telephone number of the individual with whom Seller verified the validity of the document.

7.3.2 Information Obtained via Internet

Seller must authenticate documents obtained from an internet website and examine portions of printouts downloaded from the internet, including the Uniform Resource Locator (URL) address, as well as the date and time the documents were printed. Seller must visit the URL or the main website listed in the URL if the page is password protected to verify the website exists and print out evidence documenting the Seller's visit to the URL and website.

Documentation obtained through the internet must contain the same information as would be found in an original hard copy of the document.

7.4 Allowable Mortgage Parameters

Follow all guidance as stated below in addition to the published HUD Handbook 4000.1., all relevant Mortgagee Letters, and Announcements.

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A “Rebuttable Presumption Qualified Mortgage” has an APR greater than the APOR + 115 basis points (bps) + the ongoing mortgage insurance premium (MIP) rate. Legally, Sellers that offer these loans are presumed to have determined that the borrower met the ability-to-repay standard by ensuring they comply with published FHA qualifying guidelines. These loans are acceptable to CBCMA.

7.5 Interest Credit Option

Loans disbursed on or before the seventh (7^{th}) day of the current month may use an interest credit option.

7.6 Mortgage Loan Document Corrections

Corrections to the note and mortgages (deeds) should be made by drawing a single line through the incorrect information. Seller 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.

7.7 Closing in Compliance with Mortgage Approval

Seller must instruct the settlement agent to close the mortgage in the same manner in which it was underwritten and approved.

Seller must ensure that the conditions listed on form HUD-92900-A/Addendum or form HUD-92800.5B, or both, are satisfied.

7.8 Closing in the Seller’s Name

A mortgage may close in the name of the Seller or the sponsoring Seller (the principal or authorized agent). TPOs that are not FHA-approved Sellers may not close in their own names or perform any functions in FHA Connection (FHAC).

The Seller must use the forms or language, or both, prescribed by FHA in the legal documents used for closing the mortgage.

7.9 Data Integrity

For origination, underwriting, endorsement, and insuring the Seller must validate all data elements (including loan-level data) submitted through the Automated Underwriting System (AUS), Technology Open to Approved Lenders (TOTAL) Mortgage Scorecard, and FHA Connection (FHAC), and validate that documentation exists in the loan file to support all data used to underwrite the mortgage.

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7.10 Projected Escrow (Taxes and Insurance)

The Seller must establish the escrow account in accordance with the regulatory requirements in 24 CFR § 203.550 and RESPA.

7.10.1 Monthly Escrow Obligations

The Seller must collect a monthly amount from the borrower that will enable the Seller to pay all escrow obligations in accordance with 24 CFR § 203.23. The escrow account must be sufficient to meet the following obligations when they become due:

- ❑ Hazard insurance premiums
- ❑ Real estate taxes
- ❑ Mortgage Insurance Premiums (MIP)
- ❑ Special assessments
- ❑ Flood insurance premiums, if applicable
- ❑ Ground rents, if applicable
- ❑ Any item that would create liens on the property positioned ahead of the FHA-insured mortgage, other than condominium or Homeowners' Association (HOA) fees.

7.10.2 Estimating Real Estate Taxes

The Seller must use accurate estimates of monthly tax escrows when calculating the total mortgage payment.

In new construction transactions, property tax estimates for calculating the monthly payment must be based on the appraised land value plus improvements, along with the county tax/levy rate. In some cases, this can be done by using the manual calculation formula from the applicable taxing authorities. Alternatively, the title company may provide the estimate at the time preliminary title is ordered. Documentation from the taxing authorities must be on file to support the estimated monthly tax used for payment calculation.

7.11 Closing Costs and Fees

Seller must ensure that all fees charged to the borrower comply with all applicable federal, state, and local laws and disclosure requirements. The Seller is not permitted to use closing costs to help the borrower meet the Minimum Required Investment (MRI).

Fees on the LE and CD should ***never*** reflect as payable to CBC Mortgage Agency, CBCMA, or Chenoa Fund, regardless of the section.

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7.11.1 Collecting Customary and Reasonable Fees

Seller may charge the Borrower reasonable and customary fees that do not exceed the actual cost of the service provided. The Seller must ensure that the aggregate charges do not violate FHA's 3% points and fees rule (the QM 3% Points and Fees test).

7.11.2 Disbursement Date

The "disbursement date" refers to the date the proceeds of the mortgage are made available to the borrower.

The disbursement date must occur before the expiration of the FHA-issued Firm Commitment, or DE approval, and credit documents.

7.11.3 Per Diem Interest and Interest Credits

The Seller may collect per diem interest from the disbursement date to the date amortization begins. Alternatively, the Seller may begin amortization up to seven (7) days prior to the disbursement date and provide a per diem interest credit. Any per diem interest credit may not be used to meet the Borrower's MRI. Per diem interest must be computed using a factor of 1/365th of the annual rate.

7.12 Real Estate Taxes

All tax amounts that are due and payable at closing must be paid at closing. If taxes are due and the tax bill has not been released, the Settlement Statement must show monies held for later payment by the title company/closing attorney. Documentation must be included in the loan file when submitted for purchase.

Tax amounts that are due within thirty (30) days of the Purchase Date must be paid by Seller with evidence of the tax payment provided to CBCMA.

We do understand that, due to local tax collection practices, property taxes may increase significantly during the borrower's first year of homeownership, resulting in the need to prorate taxes at closing based on a much lower figure than what will need to be included in the borrower's monthly payment. We also understand that, in calculating closing figures, the unassessed value may be used to lower the borrower's cash to close and eliminate the collection of excessive tax escrow. In these circumstances, based on most document preparation services' limitations, a First Payment Letter that does not match the URLA, CD, and initial IEADS may be used to reflect the most accurate payment to the borrower; however, the First Payment Letter must match the AUS qualification figures. In addition, a new IEADS reflecting the accurate collection and disbursements of tax payments should be included in the file along with an LOE from the lender.

7.13 Mortgage and Note

"Mortgage" refers to any form of security instrument that is commonly used in a jurisdiction in connection with a loan secured by a one- to four-family residential property, such as a deed of

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trust or security deed. “Note” refers to any form of credit instrument commonly used in a jurisdiction to evidence a mortgage.

The Seller must develop or obtain a separate mortgage and note that conforms generally to the Freddie Mac and Fannie Mae™ forms in both form and content, but that includes the specific modification required by FHA set forth in the applicable Model Note and Mortgage.

The Seller must ensure that the mortgage and note comply with all applicable state and local requirements for creating a recordable and enforceable mortgage and an enforceable note. CBCMA does not normally allow reverse bailees. In the event that an exception is granted, the notes for both mortgages using a reverse bailee must be delivered to CBCMA within three (3) days after the reverse bailee is received.

7.13.1 Disbursement of Mortgage Proceeds

The Seller must verify that the mortgage proceeds are disbursed in the proper amount to the borrower and Seller, or, in the case of a refinance transaction, to the debt holder.

7.13.2 FHA Underwriting & Eligibility Standards

At closing, the mortgage proceeds disbursed by the Seller and the cash from the borrower must equal the total acquisition cost or refinance cost.

The Seller must obtain the final settlement statement or a similar legal document from the settlement agent.

7.14 Principal Reductions/Principal Curtailments

A principal reduction/curtailment refers to the immediate reduction of the original principal balance without a modification to the original terms of the loan Principal reductions/curtailments are permitted on a limited basis in accordance with Agency guidelines to correct one of the following scenarios:

- ❏ Eliminate any excess credit for rate (premium pricing).
- ❏ Eliminate any excess cash back to the Borrower.

7.15 Minimum Required Repairs & Escrow Holdbacks

Minimum required repairs are established by the FHA Roster Appraiser, the FHA DE Lender, or both. CBCMA will accept escrow holdbacks.

- ❏ Must be weather-related.
- ❏ Original appraisal must be completed “subject-to” the repairs required.

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- ❑ Repairs must be required by the appraiser or lender in order to bring the property up to FHA minimum property standards.
- ❑ Contractor must provide an invoice with an estimate of work certifying that the work cannot be completed prior to disbursement (due to inclement weather conditions).
    - ▫ Inclement weather conditions are generally considered to be between November and March.
- ❑ All repairs should be completed within six (6) months of the Note date.
- ❑ The amount of money held in escrow for repairs should be 1.5 times the amount of the invoice plus a sufficient amount required for the FHA appraiser's final inspection.
- ❑ For FHA loans: the Seller must complete the "Escrow Closeout Certification" screen, in FHA Connection, within thirty (30) days of escrow closing/completion.
    - ▫ Prior to Purchase: The Seller must provide the executed HUD form 92300, Seller's Assurance of Completion, to indicate the repair escrow has been established.
    - ▫ Post Purchase: The Seller must provide HUD form 92051, Compliance Inspection Report, to evidence that repairs have been satisfactorily completed.
- ❑ All other FHA guidelines must be adhered to.
- ❑ Acceptable evidence of completion is provided by the borrower for minor repair or improvement items.
- ❑ Note Energy Mortgages (NEM) are not allowed.

7.15.1 Completion Date

Improvements or repairs must be completed within six (6) months of the Note date.

Please note it is the responsibility of Seller to ensure that all repairs are completed. Notification from CBCMA or the transferring investor is not guaranteed.

7.16 Documentation—General Requirements

CBCMA requires that each loan conforms to and complies with all applicable HUD and FHA underwriting, lending, selling, and servicing requirements, as well as all Ginnie Mae requirements for the inclusion of the mortgaged loan in a Ginnie Mae MBS pool. In addition to all FHA credit qualifying and documentation requirements, the loan must also include:

- ❑ An electronic fraud detection report covering standard areas of quality control, i.e., borrower validation, social security validation, property information, and MERS verification.
- ❑ Compliance testing for adherence to QM/ATR, APR, and Points and Fees for the first mortgage.
- ❑ The copy of the deed of trust, stamped as "True and Certified" by the settlement agent
- ❑ A completed tax information sheet.
- ❑ The 4506-C address, set to match the last filed tax transcripts.

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- ❑ Verbal verification of employment within ten (10) calendar days of the Note date, per agency guidelines, and an independently obtained phone number or address for employer with source documented.
- ❑ Evidence the FHA UFMIP has been paid.
- ❑ A W-9 where borrowers have selected a Federal Tax Classification.
- ❑ A Life of Loan flood certificate.
- ❑ Closing Protection Letter (CPL).
- ❑ Final settlement ALTA statement, signed by the settlement agent.
- ❑ 1-0 or 2-1 Buydown Escrow Agreement.
- ❑ 1-0 or 2-1 Subsidy Payment Schedule.

Additionally, the loan must be fully eligible for FHA insurance, and it must already be insured by HUD or will be insured by HUD within sixty (60) days of the purchase date for CBCMA.

7.16.1 Documentation—Further Requirements

- ❑ Completed Chenoa Escrow Holdback Lender Acknowledgment.
- ❑ Closing Disclosure evidencing escrow of funds at disbursement.
- ❑ Final inspection/documentation of completion of repairs, as required:
    - HUD form 92051—line 14 checked and signed by the Fee Inspector, DE Staff Inspector, Appraiser, or HUD Inspector.
    - Fannie Mae™ Appraisal Update and/or Completion Report (form 1004D) with front photo of the subject property—completed by the appraiser or a qualified professional.
        - A qualified professional may be one of the following:
            - A professionally licensed, bonded, registered engineer.
            - A licensed home inspector.
            - An appropriately registered/licensed tradesperson.
- ❑ If the borrower performed the minor repairs, receipts for the items needed to make the repairs and the fee inspection is required.
- ❑ HUD Form 92300, Mortgagee's Assurance of Completion, must be completed by Seller, and must reflect the escrow amount.
- ❑ Mortgagee's Assurance of Completion, pages 1 & 2, must be signed and dated after completion of repairs.
- ❑ Evidence of release of escrow funds.
    - If the contract indicates that the borrower is financially responsible for the required repairs, the source of the funds must be documented; follow standard requirements for documentation of assets/funds to close.

7.16.2 Documentation—Second Loan Requirements

The following documents are required for all second lien loans:

- ❑ Second Lien Loan Application.

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- Note: Not required when the second lien loan application has been disclosed appropriately in conjunction with the first lien application.

❑ Second Lien Loan Estimate.
❑ Recommended—Letter of Intent to Proceed.
❑ Second Lien Closing Disclosure.
❑ Second Lien first Payment Letter (Repayable seconds only)—must reflect CBCMA's servicing address:

Midwest Loan Services
P.O. Box 209
Hancock, MI 49930 www.midwestloanservices.com

Phone number: 800-262-6574
Hours of operation: 8:00AM to 8:00PM EST Monday-Friday
Email Address: customerservice@midwestloanservices.com

❑ Second Lien Note—payment address for repayable seconds must reflect CBCMA's servicing address shown above; must be delivered to CBCMA within three (3) days of reverse bailee delivery if a reverse bailee is used.
- Second Lien Note to be Endorsed to CBCMA, or an Allonge that is wet signed (stamped signature is acceptable if it is an original).

❑ Second Lien Mortgage/Deed of Trust.
- If a forgivable loan must be paid back, such as in the case of early payoff, a balloon rider is required.

❑ CBCMA Secondary Financing Disclosure.
❑ CBCMA Letter from the President.
❑ CBCMA Quality Control Release form.
❑ Notice of Transfer of Servicing for Second Lien.
❑ Any additional state-required disclosures.

7.17 Hazard Insurance

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

❑ For purchase transactions, CBCMA 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, CBCMA requires proof that the premium for the year is paid in full.

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- Proof may be in the form of a receipt signed by an authorized individual of the insurance company; otherwise, 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.

❏ If, on the date of purchase of the mortgage loan by CBCMA, there are less than thirty (30) days to policy expiration, CBCMA requires a thirty-day binder or evidence that the policy has been renewed for one year.

❏ Prior to purchase of the first mortgage and reimbursement of the second mortgage, the loss payee clause must be in the lender's name and include the verbiage "Its Successors and/or Assigns ATIMA." (ISAOA/ATIMA is an acceptable abbreviation of this verbiage).

- Alternatively, Sellers may use CBCMA's loss payee clause on the second mortgage only. If this option is used, the second mortgage loss payee clause should be:

  CBC Mortgage Agency
  912 W. Baxter Drive
  Suite 150
  South Jordan, UT 84095

CBCMA requires the homeowner declarations page to show an effective coverage date no later than the Note date, along with proof of premium 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.

❏ "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, Seller must verify that the hazard insurance rating specifications have been met. The following alternative hazard insurance coverage is also acceptable:

❏ In the event that the issuer of the hazard insurance policy does not meet the above-described rating specifications, the hazard insurance policy may, nevertheless, be acceptable if the insurer is reinsured by a company that meets either:

- One of the A.M. Best general policy-holder ratings.

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- Standard and Poor's Ratings Group claim-paying ability ratings.

❑ 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 a ninety-day written notice of termination of the reinsurance arrangement; the Assumption of Liability Agreement must be attached to the hazard insurance policy.

7.17.1 Family Residences

Residents must protect all units against loss or damage from fire and other hazards covered by the standard extended coverage endorsement. CBCMA will not accept hazard insurance policies that limit or exclude from coverage (in whole or in part) windstorm damages, hurricane damages, hail damages, or any other perils that normally are included under an extended coverage endorsement. A Seller must advise the 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 insurance 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, CBCMA does not require separate appraisal valuations. Insurance must be in an amount and form acceptable to the applicable Agency Guidelines.

7.17.2 Condominiums

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

❑ The PUD, condominium homeowners' association, or 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.

❑ The current master condo insurance policy must provide at least one million ($1,000,000) liability coverage.

❑ The "Severability of Interest" clause or specific endorsement must preclude the insurer's denial of a unit owner's negligence claim.

❑ An acceptable fidelity bond is required on condominium projects with more than twenty (20) units.

❑ The policy should provide for at least ten (10) days' written notice to the homeowners' association before the insurer can cancel or substantially modify it; for condo projects, an additional, similar notice must be given to each holder of a 1st mortgage or share loan on an individual unit in the project.

❑ 100% of the insurable replacement cost coverage for the complete project and unit (interior and exterior of the condominium unit).

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The project and unit (walls-in), the H06 policy, must both be insured. If the master condo insurance policy does not cover the unit (walls-in) then see the following H06 requirements:

- ❑ The walls-in (H06) policy must state that it provides coverage for the insurable value of the improvements and betterments;
- ❑ The walls-in (H06) policy must provide the breakdown, or "cost estimator," from the insurance company on how they determined the amount of coverage provided; or
- ❑ The borrower must obtain a statement from the insurance company that this is the maximum the company will insure and that this is sufficient to replace the improvements and betterments.

7.17.3 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 project's blanket policy. In addition, the homeowners' association must maintain a policy that 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. 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):

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

7.17.4 Amount of Hazard Insurance

For first lien home mortgages on 1–2 unit properties, 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.
- ❑ The guaranteed replacement cost endorsement, which provides that the insurer agrees to replace the insurable property, regardless of the cost or the replacement cost endorsement.

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- ❑ 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 or
- ❑ 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 an extended replacement cost is noted on the policy, the percentage of extended replacement costs must be detailed.

If the estimated site value, opinion site value, or an appraisal addendum signed by the appraiser is not available on the appraisal, the documents below are acceptable in the following order:

1. Insurance value form from the insurance agency.
2. Third party vendor documents (Marshall and Swift [example: Data Quick] may have been used by the vendor).
3. (If the site value is not noted) The tax assessor value from the title policy/commitment or tax assessment form may be used for the calculation.

7.17.5 Hazard Insurance Deductible

Deductible for hazard policies must conform to Agency Guidelines.

7.18 Title Policies and Insurance Commitments

All title insurance policies must ensure that the title is generally acceptable and that the mortgage constitutes a lien of the required priority on a fee simple or leasehold estate in the property. The title policy should list any and all other liens as subordinate to the first lien.

The title policy must be written on an ALTA (American Land Title Association) form. In states where ALTA forms of coverage are not used, the state-standard or short form that provides the same coverage as the ALTA form may be used, provided that the coverage does not impair lien protection to all applicable liens for purchase.

The title policy should be dated as effective (no earlier, or no later) at the date of closing. Lien protection must begin at the time of consummation and extend through the life of the loan.

Please note: title insurance is not a requirement for CBCMA second liens, although it may be applied at the lender's discretion. All title insurance requirements are in line with FHA

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guidelines for lien insurance protection for first liens used in connection with the purchase transaction.

7.18.1 Adding Persons to Title and Sales Contracts

CBCMA allows persons to be added to the contract and title that are not on the loan, such as non-purchasing spouses, per Agency and state guidelines.

8 Document Packages

8.1 Registration—Procedural Overview

To register a loan, use CBCMA's Client Portal with the following link.

- ❑ Select "Correspondent Lender Login" at the top right of the chenoafund.org website.
- ❑ Enter login credentials.
- ❑ Select "Register New Loan."

8.2 Lock Policy

A complete loan package must be uploaded through CBCMA's Portal on or before the interest rate lock expiration date to satisfy lock requirements. If the lock expires at the time the complete loan package is uploaded, CBCMA will provide seven (7) calendar days from the date conditions are issued, at no additional cost, for the Seller to clear any outstanding conditions. Prior to closing, the Seller may extend at a cost of 0.025 per day (0.175 per week). If outstanding conditions are not cleared within the seven (7) calendar-day period, CBCMA will manage any necessary extensions. All applicable extension fees will be withheld from the purchase advice.

Locks that are canceled or remain expired for more than thirty (30) calendar days may be relocked at current market pricing. No relock fee or previously incurred extension fees will apply. If a loan is canceled or the original lock expires and is relocked within thirty (30) calendar days, the relock will be subject to worse-case pricing, a 0.125 relock fee, and any previously incurred extension fees. The new lock will be for the same number of days as the original lock term, beginning on the relock date.

Worse-case pricing is the less favorable of:

- Original Lock Pricing: Pricing in effect at the time of the original lock; or
- Current Market Pricing: Pricing available on the relock date for the same product and lock term.

Example:
Original lock: 30 days at 6.25% with a price of 100.000
Current market: 30 days at 6.25% with a price of 99.000
The 99.000 current market price applies because it represents the less favorable, or worse-case pricing.

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8.2.1 Renegotiation Policy:

- ❑ Per loan limit: one renegotiation per loan.
- ❑ The interest rate must improve by at least 0.125%.
- ❑ If the rate drops by 0.125%, the lender receives current market pricing less 37.5 bps.
- ❑ If the rate drops by 0.25% or more, the lender receives current market pricing less 25bps.
- ❑ The original commitment period and expiration date cannot move and must remain the same.
- ❑ The renegotiation price is based on the rate sheet and LLPAs that are in effect when the request is received less any prior accumulated extension, relock or other fees.

8.3 Delivery

The mortgage loan must be delivered to CBCMA in purchasable condition on or before the expiration of the Lock Period or within seven Business Days of closing whichever comes first. Loans must be current at the time of purchase. Loans in forbearance are not eligible for purchase. For loans purchased after the 15th of the month, a current pay history is required prior to purchase.

A delivered loan is considered in purchasable form if it meets the requirements of the following:

- ❑ Product and program parameters.
- ❑ Federal, state, and local laws and regulations.
- ❑ Industry standards, the insuring requirements of FHA, and secondary market investor guidelines.
- ❑ The requirements of this Seller Guide, including any updates, and Seller Agreement
- ❑ CBCMA specific documentation and CBCMA Loan Delivery Checklist.

A closed mortgage loan submitted in non-purchasable form is considered incomplete and may be subject to relocking or repricing for a lock extension. Refer to the lock policy section of this guide for pricing details.

Uploaded documents will be reviewed by CBCMA's due diligence team in a timely manner after receipt, and Seller will be notified of any issues which impact CBCMA's ability to purchase the mortgage loan through the posting of conditions on the client site.

Deficiencies may include, but are not limited to, any issues that impair CBCMA's ability to service or sell the mortgage loan. All Deficiencies must be cleared within 90 days of closing to ensure the sale of the loan.

8.4 Same Name Affidavits

Signature/Name Affidavit is required for every borrower on the note.

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8.5 Use of Power of Attorney at Closing

Closing documents may be executed with a Specific Power of Attorney (POA) that complies with all Applicable Requirements, provided the following conditions are met:

- ❑ POA must be specific to the transaction and subject property (general POAs are not acceptable).
- ❑ POA must have been in full force and effect on the date of closing.
- ❑ The designated individual with Power of Attorney may not have a direct or indirect interest in the transaction (this exclusion does not apply to any of the borrowers on the transaction).
- ❑ Grantor's (Borrower's) name appears exactly as it was stated to appear on all closing documents; if notarized outside of the United States, it must be notarized at a U.S. Embassy or a military installation.
- ❑ The Recorder's stamp appears, if previously recorded; the POA must be dated no more than 120 days prior to, and must be in full force and effect on, the closing date.
- ❑ The attorney-in-fact must have executed all closing documents at settlement.
- ❑ Title must ensure Seller is in 1st lien position without exception to the POA.
- ❑ POA document must be recorded immediately prior to the closing documents.

CBCMA requires a copy of the POA included with the closing package if a POA is being used by the borrower or seller.

8.5.1 Signature requirements for a POA

There are no exceptions to these policies, for signatures or initials. Sign the borrower's name, with the POA signature underneath, with the following verbiage: "as attorney in fact" (i.e., John Doe by Mary Doe, as attorney in fact). In the case of initials (no exceptions), initial the borrower's initials, with the POA initials underneath, with the following verbiage: "as attorney in fact" (i.e., JD by MD, as attorney in fact).

8.6 Electronic Signatures

CBCMA will accept the use of electronic signatures on certain documents when the signing is conducted in accordance with the outlined performance standards and as permitted by Applicable Requirements, secondary market investors, and the performance standards required by HUD.

The following guidance is not intended as legal or regulatory advice. Seller is responsible for obtaining professional advice, as needed, to ensure that mortgage loans submitted to CBCMA are in compliance.

A Seller's electronic signature technology must comply with all the 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

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signatures as “any electronic sound, symbol, or process attached to or logically associated with a contract or record and executed or adopted by a person with the intent to sign the record.” (Esign 106(5)). Sellers should follow this definition of electronic signatures, with the exception that CBCMA will not accept an electronic signature that is solely voice or audio.

Seller’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, Seller should collect and retain appropriate evidence:

- ❏ The borrower’s consent for the use of any electronic signature or disclosure.
- ❏ The signer’s certification that the document is true, accurate, and correct at the time signed.
- ❏ The intent to sign the record and the intent to use an electronic signature.
- ❏ The attribution of the electronic signature to that signer.

Electronic signatures are acceptable on initial application documents. However, the following specific closing documentation will require wet signatures that are not electronic: all Promissory Notes and all notarized documents.

8.6.1 Representations and Warranties

In addition to the representations and warranties listed in the agreement and elsewhere in this guide, and when selling a mortgage loan with electronic signatures to CBCMA, Seller must make the following representations and warranties with respect to any and all documents or record delivered to CBCMA which bear an electronic signature:

- ❏ All electronic signatures comply with Applicable Requirements, including the standards and requirements of the 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 CBCMA to any third party.
- ❏ Any and all documents or records bearing an electronic signature are fully enforceable by such third party to whom CBCMA 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 Requirements, including, but not limited to, any applicable CBCMA, Fannie Mae™, Freddie Mac, FHA, or VA requirements.

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- ❑ Each document or record that 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.

8.6.2 Hybrid Closings

Hybrid closings are allowed. Provided that all promissory Notes and notarized documents are wet signed.

8.7 The Loan Estimate ("LE")

All loans including the Loan Estimate must be TRID compliant. CBCMA will not purchase a loan where any modification or waiver of a mandatory waiting period has been granted.

8.8 The CBC Mortgage Agency Second Lien Closing Disclosure

The CFPB expects that typical transactions with a simultaneous second lien loan will involve two separate transactions. Regardless of if the transaction involves the same creditor providing the first loan and the simultaneous second loan, the two loans are treated as separate transactions, with the proceeds from the simultaneous second included in the Closing Disclosure (CD) for the primary transaction, where Seller is disclosed pursuant to Section 38(j)(2)(vi), per Comment 38(j)(2)(vi)-2.

CBCMA's second lien must have separate disclosures and should contain the information associated with the CBCMA second mortgage loan (including, but not limited to, the loan amount, fees charged, and payment schedule). CBCMA relies on its Seller to ensure the second mortgage Loan Estimate and Closing Disclosure are compliant with the TILA-RESPA Integrated Disclosure Rule. In addition, CBCMA requires that Sellers preparing the second lien CD comply with CBCMA's applicable investor, insurer, and guarantor requirements for the second lien CD. To this end, we are providing the following guidance that our investors have found to be acceptable.

8.8.1 Properly Identifying Down Payment Assistance Funds on the First CD

On the first mortgage CD, the down payment assistance funds from CBCMA must be identified as coming from CBCMA (**not** Chenoa Fund) and reflected as such in Section L, "Paid Already by Or on Behalf of Borrower at Closing," or under "Other Credits," using Lines 4 through 7.

Where the number of characters does not permit fully spelling out "CBCMA 2nd Lien" to identify the source of funds (second lien), the following abbreviations may also be used: (1) CBC Mortgage 2nd Lien, or (2) CBCMA 2nd Lien. Under no circumstances should the source of funds be identified as "Chenoa."

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8.8.2 Showing Closing Costs for Secondary Financing on the First CD

On the first CD, the total closing costs associated with the second mortgage may be reflected in "Section H" (of the first CD), "Other Costs," and identified as "Closing Costs for Secondary Financing" if those fees are not being paid by the borrower or "netted" from the second mortgage proceeds.

Either net proceeds or the principal balance from the second lien (from CBCMA) may be shown in the "Amount" Column; however, if net proceeds are shown, the principal balance must also be shown in parentheses in the description field.

Note: if net proceeds are shown in the "Amount" column in Section L, or under "Other Credits" on the first CD, the closing costs associated with the second mortgage CD will not be reflected in Section H of the first CD and it will be critical for the lender to confirm that the borrower has sufficient funds invested to meet the FHA minimum required investment.

8.9 CD and Settlement Documentation

The following documents are required to be delivered to CBCMA:

- ❑ Initial Borrower Closing Disclosure.
- ❑ If multiple CDs:
  - "Final"-marked Borrower's Closing Disclosure.
  - "Final"-marked Seller's Closing Disclosure.
- ❑ Settlement agent disbursement sheet.
- ❑ Fully completed and executed Settlement Agent Certification.
- ❑ Closing Disclosure provided to Seller at closing/Seller's Transaction.

CBCMA requires the borrower's or borrowers' signatures on the Closing Disclosure provided at closing. CBCMA also requires a copy of the CD provided to Seller at closing, but it does not have to be signed. The Final Closing Disclosure must be marked "Final" to clearly distinguish it from other closing disclosures.

8.9.1 Preparation of the Closing Disclosure for a Seller

For a purchase transaction, the settlement agent is required to provide Seller with the CD reflecting the actual terms of Seller's transaction. The settlement agent may comply with this requirement by providing Seller with a copy of the same CD provided to the consumer (buyer) if it also contains information relating to Seller's transaction. CBCMA does not require Seller's signature on the CD containing both buyer and seller transactions, even if a separate seller-signed CD is not provided, but CBCMA will still require a copy of the CD provided to Seller at closing.

Alternatively, the settlement agent may provide Seller with a separate disclosure including only the information applicable to Seller's transaction on the CD. If Seller's disclosure is provided in

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a separate document, the settlement agent will provide Seller with a copy of the CD provided to Seller; CBCMA will require a copy of this document, but it does not have to be signed. The settlement agent will provide Seller its copy of the CD no later than the day of consummation.

8.9.2 Delivery of the Closing Disclosure

The CD must be received by the consumer at least three (3) specific Business Days prior to consummation.

For transactions involving multiple consumers, Seller must ensure that the CD is provided separately to each consumer with the right to rescind under TILA, either directly or via the settlement agent, as appropriate. For transactions that are not rescindable, Seller must provide the CD to the consumer with primary liability for the mortgage transaction.

Seller 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).
- ❑ Via mailing the disclosures, which may include overnight delivery.
- ❑ Via electronic delivery methods subject to compliance with consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001 et seq.); note that final closing documents, including the final CD and settlement certification, may not be electronically delivered and signed. Wet signatures are required in all cases for these documents.

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 (3) 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 Seller has evidence that the consumer received the disclosures earlier than three (3) specific Business Days after mailing or delivery, Seller 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.

The regulation allows the consumer to waive or modify the three-business-day waiting period if an extension of credit is needed to meet a bona fide personal financial emergency.

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8.9.3 Revised Closing Disclosures

Once a CD is delivered or mailed to the consumer, consummation cannot occur until three (3) specific business days after the disclosure is considered received by the consumer. According to the TRID rule, there are three (3) categories of changes that require a corrected CD containing all changed terms:

- ❑ Changes that occur before consummation that will require a new three-specific-business-day waiting period:
  - The disclosed APR becomes inaccurate by more than ⅛ of 1% 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.
  - 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 need to be provided.
  - 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 (note: CBCMA down payment assistance transactions may not contain prepayment penalties).
- ❑ Changes that occur before consummation that do not require a new three-specific-business-day waiting period (i.e., 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 Seller at the time the consumer inspects the document.
- ❑ Changes that occur after consummation.

8.10 Disclosures Required Post-consummation

Seller must make the following disclosures clearly and conspicuously in writing, in a form that the consumer may keep.

If, during the thirty-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, Seller must deliver or place in the mail a corrected CD no later than thirty (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, Seller must deliver or mail a corrected CD no later than sixty (60) days after consummation.

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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 the consumer no later than sixty (60) calendar days after consummation. In addition, Seller must deliver or mail the corrected CD reflecting such refund no later than sixty (60) days after consummation.

All other TRID disclosures must be provided to CBCMA with a reliable form of evidence of delivery. If the three-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.

8.10.1 The CD is Acceptable If:

- ❑ It has no more than $100 understated tolerance.
- ❑ The Finance Charge is understated by no more than $100 or the APR is understated no more than .125%; however, both can be overstated.

8.10.2 The CD is not Acceptable if:

- ❑ It is understated by more than the $100 tolerance.
- ❑ The Finance Charge is understated by more than $100 or the APR is understated by more than .125%.

8.11 Loan Cancellation Policy

Seller and CBCMA can choose to cancel loans if necessary. Cancelled loans fall into two categories: loans cancelled before closing, and loans cancelled after closing. They are both handled differently.

8.11.1 Loans Cancelled Before Closing

Loans cancelled before closing are not assessed a fee or penalized in any way. Borrowers must re-apply if they wish to move forward after cancelling their application.

8.11.2 Loans Cancelled After Closing

Loans delivered after closing that do not meet CBCMA guidelines will need to be cancelled. A cancellation agreement releasing CBCMA from the obligation to reimburse will need to be signed by an officer of the originating lender's company. Upon execution of the release of the funding obligation, the originating lender becomes the second lien holder.

The Seller may request CBCMA to acquire the second mortgage regardless of the release from the obligation to reimburse. In this instance, the Seller should contact CBCMA's Lock Desk to obtain pricing for the acquisition of the second mortgage. Acquisition pricing is subject to current market conditions and a $399 administration fee.

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9 Clearing for Purchase

9.1 Purchase Review Status

Seller can access the status of their loans through CBCMA's client Portal.

Loans uploaded to the Portal are reviewed by CBCMA's due diligence team concurrently with its partner investors, to whom loans are ultimately sold.

Once due diligence reviews are completed by CBCMA and the investor, Sellers will be notified via email. All conditions can be viewed on the Portal. Sellers can directly communicate with CBCMA's due diligence reviewers to obtain clarification or dispute specific conditions using the escalation process on the Portal.

Each loan is assigned a purchase clearing specialist from CBCMA's purchase clearing team. The purchase clearing team's primary function at CBCMA is to assist and expedite the purchase of Seller's loans. The purchase clearing team can waive or clear most conditions; in addition, they are a critical conduit and act as personal liaison to Seller for due diligence and investor communications.

The purchase clearing specialist is a critical conduit and acts as a personal liaison to Seller for the due diligence and investor communications. To best use this resource, use the escalation log found inside each individual transaction on the website. Specifically, use the escalation log to address questions regarding conditions, to request expedited reviews and waivers of outstanding conditions, or to request information from the purchase clearing specialist.

Contact for CBCMA's Purchase Clearing Team: purchaseclearing@chenoafund.org

10 Final Documents

10.1 Collateral Package Documents

CBCMA requires the original final collateral documents, notes with endorsements or allonges and bailee instructions. First and second lien notes must be endorsed to "CBC Mortgage Agency" using an allonge endorsement or stamp endorsement. Endorsements must be wet-signed.

The notes for both mortgages must be delivered within three (3) Business Days. CBCMA advises Sellers to use an express shipping service to track shipments and ensure timely delivery of the original note, collateral package, and trailing documents.

The original collateral package is reviewed by CBCMA prior to the mortgage loan being approved for purchase. Any deficiencies are noted in the Client Access Portal as loan conditions.

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Collateral conditions for corrected or additional original documents should be sent to CBCMA, and a copy of the document should be uploaded to the Client Access Portal.

10.1.1 Shipping for Collateral Documents

CBC Mortgage Agency
912 W. Baxter Drive, Suite #150
South Jordan, UT 84095
Email Contact: **finaldocs@chenoafund.org**

10.2 Trailing Documents

For each loan purchased by CBCMA, all final, recorded security instruments, final title policy, and Mortgage Insurance Certificate must be delivered by the required delivery date.

Recorded security instruments and final title policies must be delivered to DocProbe within eighty-five (85) Calendar Days of the closing.

Mortgage Insurance certificate must be uploaded to the Portal within sixty (60) Calendar Days from closing. Fees will be applied if delivery dates are not met. For more information, contact finaldocs@chenoafund.org.

10.2.1 Shipping for Trailing Docs

Please upload all final title policies via the **DocProbe Portal** or email cbc@docprobe.net. To register for access to the title portal, please email portalsupport@docprobe.net.

For recorded original documents, please mail to:

CBC Mortgage Agency
C/O DocProbe
1133 Ocean Avenue
Mail stop code: DP6811
Lakewood, NJ 08701

Sending unrecorded documents will incur a fee. If a document was e-recorded, send e-recorded coversheet attached to original document.

10.3 Mortgage Electronic Registration Systems (MERS)

First mortgage loans sold to CBCMA, and all secondary mortgages where DPA Funds have been reimbursed, must be registered in MERS no later than seven days after the closing date in accordance with MERS Guidelines.

In addition, all mortgage loans, first and second liens must have a TOS/TOB transfer initiated to CBCMA through MERS within 48 hours after CBCMA purchases the first mortgage loan and/or

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within 48 hours of the DPA funds being reimbursed on the secondary mortgage, resulting in the MIN reflecting CBCMA as the holder of the Servicing and Investing rights in MERS within 72 hours of the same purchase date, and/or DPA reimbursement date.

CBC Mortgage Agency's Org. ID is 1012881.

- ❑ We remind all Sellers of the following: First and Second Liens should not be assigned the same MIN. Each lien will need its own individual MIN.
- ❑ MIN should be listed on the Note and Security Instrument and should name MERS as beneficiary/mortgagee/grantee.
  - The only exception to this is Maine Property loans.
- ❑ All loan information should be entered into MERS as shown on the Security Instrument.
  - Select the correct lien type for the loan (secondary mortgages should reflect subordinate lien type in MERS).
  - Loan amount should also match based on the lien type.
- ❑ An interim funder and sub-servicer should not be added for secondary mortgages.

Assignments should only be used in the event where the property is a Maine loan and cannot be assigned to MERS directly within the Security Instrument. A MIN should still be registered for the 1st and 2nd MINS, and an Assignment to MERS should be completed to properly assign the loan to MERS. Please note that you must use a Maine Approved Assignment to MERS for this and that all state-required verbiage is included. Please contact our MERS Department if you would like a template for reference.

Assignments must be sent to CBCMA's corporate office at the address given below:

CBC Mortgage Agency
912 W Baxter Drive, Suite #150
South Jordan UT 84095

10.4 FHA Connection

10.4.1 FHA Mortgage Record Change

Seller is responsible for completing the mortgage record change to CBCMA in FHA Connection (FHAC). To report servicer/holder transfer, Seller must log in to FHAC to complete the transfer. Mortgage record changes must be completed within fifteen (15) Business Days from the date of purchase.

- ❑ Access the Mortgage Record Changes menu.
- ❑ Click Servicer/Holder Transfer (HUD Form 92080).
- ❑ Enter the FHA Case Number (including the dash).
- ❑ Enter original mortgage amount, including UFMIP (do not enter $ sign or comma).
- ❑ Enter the first five digits of the CBCMA ID "94130" into the Holding Mortgagee.

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- ❑ Complete the new Servicing Mortgagee field.
- ❑ Enter the date of transfer (Purchase Date).

10.5 FHA Mortgage Insurance Certificate

MICs are not required to be delivered prior to purchase but must be delivered to CBCMA within sixty (60) Calendar Days of the note date.

The upfront MIP must be paid prior to purchase.

11 Servicing

11.1 Subordination Policy

CBCMA does not allow subordinations in the first thirty-six (36) months of the loan, beginning with the first payment on the loan. If a borrower would like to refinance their first mortgage prior to the thirty-sixth month, CBCMA will not subordinate, and thus the second mortgage must be paid in full.

During the aforementioned non-subordination period, if it is discovered that the original loan has a loan defect, and this defect may be cured by the original maker of the loan via a refinance, CBCMA would subordinate to this refinance.

To subordinate after this thirty-six-month period, the borrowers must have made thirty-six (36) payments on both the primary and secondary loans, with no late payments (defined as more than thirty (30) days late). Payments may not be paid forward to satisfy the waiting period, and it is required that all the payments have been made prior to CBCMA issuing a subordination approval.

For questions about CBCMA's subordination policy, please contact servicing@chenoafund.org.

11.2 Assumptions

FHA and USDA first mortgages may be assumable in accordance with applicable Agency Guidelines; however, the CBC Mortgage Agency down payment assistance (DPA) subordinate lien is not assumable. If the first mortgage is assumed, the DPA loan must be paid in full at or before the time of the loan assumption. The assumption of the subordinate second must be reviewed for an exception by CBC Mortgage Agency.

11.3 Transfer of Servicing

After purchase of the loan by CBCMA, but no later than within five (5) Business Days of purchase, Seller must immediately notify HUD and each borrower of the sale of the first

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mortgage loan. All disclosures and notifications to the borrowers must meet current applicable federal, state, local, and regulatory law requirements.

No less than fifteen (15) calendar days before the effective date of the transfer of the first lien loan, Seller must send the applicable required correspondence to the borrower(s) notifying the borrower(s) of the servicing transfer of the first lien loan ("Goodbye Letter"). For this notice, the effective date of the transfer is the first payment due to CBCMA. The Goodbye Letter must meet current Applicable Laws.

Since CBCMA reimburses the full amount of all DPA loans and the first payment of a repayable, second lien loan is due to CBCMA through its Servicer, Midwest Loan Services per the Note and First Payment Letter, Seller is not required to send a Goodbye Letter for those loans but may choose to at its discretion. If Seller chooses to send a Goodbye Letter to the borrower on a repayable, second lien loan, the effective date of the transfer is the first payment of the loan.

Notifications must include, but may not be limited to, the following:

- ❑ Indicate and identify the date on which the servicing duties are to be transferred, which shall be the same date as the date on which payments are to commence to CBCMA or its designated servicer.
- ❑ Identify the date Seller will no longer accept payments on the mortgage loan.
- ❑ Identify the transferee of the servicing duties.
- ❑ Provide Seller's name and, for both companies involved in the transfer, a complete address, the appropriate department name, and a toll-free or collect call telephone number, which the borrower(s) may call with questions.
- ❑ Direct the borrower(s) to forward future payments to the servicing payment processing center (see Payment Processing address information below).
- ❑ Notify the borrower(s) that the transfer does not affect any terms or conditions of the mortgage loan other than those related to servicing.

CBCMA requires a sample copy of the Goodbye Letter to be included in the loan package at time of delivery. This applies to all first mortgages, repayable second liens and forgivable second liens.

Additionally, Sellers must provide a copy of the servicing-related notes, post-closing loan-level comments and any other loan servicing documentation as regulatory law and investor guidelines require. Servicing notes and comments should be formatted in a manner that is required by regulatory and investor guidelines and appropriate to share with the borrower when required under the applicable law.

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11.3.1 Information for Goodbye Letter:

Sellers must use the information in the table below for goodbye letters on all FHA first lien loans.

Since CBCMA reimburses the full amount of all DPA loans and the first payment of a repayable, second lien loan is due to CBCMA through its Servicer, Midwest Loan Services per the Note and First Payment Letter, Seller is not required to send a Goodbye Letter for those loans but may choose to at its discretion. If the Lender chooses to send a Goodbye Letter on any DPA loan, the appropriate information in the table below must be used.

	First Lien Loans	Forgivable Second Lien Loans	Repayable Second Lien Loans
General Mailing Address	CBC Mortgage Agency 912 W. Baxter Drive Suite 150 South Jordan, UT 84095		Midwest Loan Services P.O. Box 209 Hancock, MI 49930
Payment Address			
QWR Address			
Customer Service Number	(866) 563-7572		(800) 262-6574
Hours of Operation	Monday through Friday 8:00 am – 5:00 pm MT		Monday through Friday 8:00 am – 8:00 pm ET
Website (Payments)	www.chenoafund.org		www.midwestloanservices.com
E-Mail Address	servicing@chenoafund.org		customerservice@midwestloanservices.com
Mortgagee Clause	ISAOA/ATIMA 912 W Baxter Drive, Suite #150 South Jordan, UT 84095		CBC Mortgage Agency, ISAOA/ATIMA c/o Midwest Loan Services P.O. Box 690748 San Antonio, TX 78269

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12 Early Payment Default and Early Pay Off

12.1 First and Early Payment Defaults

There is an "Early Payment Default" with respect to any Mortgage Loan if the related Mortgagor fails to make any of the first through sixth Monthly Payments due Purchaser for such Mortgage Loan on or prior to the last day of the calendar month in which such Monthly Payment is due. For purposes of this Agreement, a payment for which Purchaser deducted funds at the time it purchased the Mortgage Loan from Seller shall not be considered the first payment due Purchaser. Seller shall not have the right to advance funds for or on behalf of a Mortgagor for any payment or to otherwise make funds available to any Mortgagor to avoid or cure a default by the Mortgagor.

In the event of an Early payment Default, Purchaser may require , Seller to: (1) repurchase the related Mortgage Loan; or (2) pay Purchaser 1.75% of the unpaid principal balance as of the date of Purchase plus $2,000 (2) and a Subsequent Transferee requires a repurchase of the Mortgage Loan due to an Early Payment Default, Purchaser may still require Seller to repurchase the related Mortgage Loan at the Repurchase Price minus any amounts paid pursuant to option (2). To the extent an Agency provides relief to Purchaser or its assigns for any liabilities or Repurchase Obligations resulting from an Early Payment Default, Purchaser shall be under no obligation to provide comparable relief to Seller. Any payment pursuant to this paragraph shall not limit Seller's indemnification obligations hereunder with respect to such Mortgage Loan.

12.2 Early Payoff

In addition to the other obligations of Seller and the other remedies available to the purchaser under this agreement, if a mortgage loan is prepaid in full, other than by a refinancing by the purchaser, on or before making the seventh monthly payment (due to the purchaser or its assigns) following the closing date, Seller shall:

- ❑ Refund to the purchaser the premium paid by the purchaser to Seller (the term "premium" shall mean the portion of the amount paid by purchaser to seller for the applicable mortgage loan that exceeds the principal balance of such mortgage loan); and,

13 CBC Mortgage Agency Key Contact Information

The following sections contain contact information and shipping addresses for various parts of CBCMA. As a reminder, for all credit, underwriting, or compliance questions, please email our Scenario Desk: scenariodesk@chenoafund.org

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13.1 CBC Mortgage Agency Department Emails

- ❑ Lock Desk: locks@chenoafund.org
- ❑ Loan Uploads: submissions@chenoafund.org
- ❑ Scenario Questions: scenariodesk@chenoafund.org
  - ▫ Exception requests should also be submitted to the Chenoa Fund Scenario Desk.
  - ▫ It is preferred that exception requests be submitted through the Portal while registering a loan.
  - ▫ See section on exceptions for more information on exception requests.
- ❑ Accounting: accounting@chenoafund.org
- ❑ Purchase Clearing: purchaseclearing@chenoafund.org
- ❑ Final and Trailing Docs: finaldocs@chenoafund.org
- ❑ Complaints, please visit Ethics Hotline
- ❑ Servicing: servicing@chenoafund.org

13.2 CBC Mortgage Agency Codes

- ❑ MERS ID: 1012881 (for TOS and TOB transfers on 1st and 2nd Mortgages in MERS)
- ❑ FHA ID: 9413-00000-8 (for transfer of Beneficiary rights in FHA Connection)
- ❑ NMLS ID: 1186381
- ❑ HUD Servicer ID: 00772-000-4 (for transfer of Servicing rights in FHA Connection)
- ❑ CBC Mortgage Agency EIN: 46-2780478

13.3 Contact Information

13.3.1 Loan Operations Center (CBC Mortgage Agency)

CBC Mortgage Agency
912 W Baxter Drive, Suite #150
South Jordan, UT 84095
Phone: (866) 563-3507
Fax: (435) 237-0022
Website: www.chenoafund.org

13.3.2 FHA 1st Mortgage Servicer General Contact Information

CBC Mortgage Agency
website http://www.chenoafund.org
Email: servicing@chenoafund.org
Toll Free Number: 866-563-7572

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13.3.3 FHA 1st Mortgage Servicer General Mailing Address

CBC Mortgage Agency
912 W Baxter Drive, Suite #150
South Jordan UT, 84095

13.3.4 Servicer Contact and Mailing Information for Repayable Second Mortgage

The correspondence, payment and borrower information for Midwest Loan Services is:

Midwest Loan Services
P.O. Box 209
Hancock, MI 49930
www.midwestloanservices.com

Phone number: 800-262-6574
Hours of operation: 8:00AM to 8:00PM EST Monday-Friday
Email Address: customerservice@midwestloanservices.com

(Note: Repayable, second lien loans only)

13.4 Shipping Addresses

13.4.1 Shipping for Collateral

CBC Mortgage Agency
912 W Baxter Drive, Suite #150
South Jordan, UT 84095

13.4.2 Shipping for Trailing Docs

Please upload all final title policies via the **DocProbe Portal** or email cbc@docprobe.net. To register for access to the title portal, please email portalsupport@docprobe.net. Sending unrecorded documents will incur a fee. If a document was e-recorded, send e-recorded coversheet attached to original document. For recorded original documents, please mail to:

CBC Mortgage Agency
C/O DocProbe
1133 Ocean Avenue
Mail stop code: DP6811
Lakewood, NJ 08701

13.4.3 Mortgagee Clause for FHA First Mortgages

CBC Mortgage Agency

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ISAOA/ATIMA
912 Baxter Drive, Suite #150
South Jordan, UT 84095

13.4.4 Mortgagee Clause for Repayable, 2nd liens

CBC Mortgage Agency ISAOA/ATIMA
c/o Midwest Loan Services
P.O. Box 690748
San Antonio, TX 78269

13.4.5 Mortgagee Clause for All Forgivable Seconds

CBC Mortgage Agency
ISAOA/ATIMA
912 Baxter Drive, Suite #150
South Jordan, UT 84095

13.5 Borrower Payment Addresses

13.5.1 FHA First Mortgage Payment Address

CBC Mortgage Agency
912 Baxter Drive, Suite #150
South Jordan, UT 84095

13.5.2 Repayable Second Mortgage Payment Address

Midwest Loan Services
P.O. Box 209
Hancock, MI 49930

Phone number: 800-262-6574
Hours of operation: 8:00AM to 8:00PM EST Monday-Friday
Email Address: customerservice@midwestloanservices.com

13.5.3 Forgivable Second Mortgage Payment and Overnight Address

CBC Mortgage Agency
912 W Baxter Drive, Suite #150
South Jordan, UT 84095

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13.6 Wiring Instructions

13.6.1 Forwarded Payments for 1st Lien Loans—Payment Clearing

Zions Bank
Acct: CBC Mortgage Agency
ABA# 124000054
Account # 985250646

Please reference the borrower's full name and account number.

13.6.2 Forwarded Payoffs for 1st Lien Loans—Payoff Clearing Beneficiary

Zions Bank
Acct: CBC Mortgage Agency
ABA#124000054
Account # 985250646

Please reference the borrower's full name and account number.

13.6.3 Forwarded Payments and Payoffs for 2nd Lien, Repayable Loans

If Seller receives any payments for a 2nd lien, repayable loan, they must be forwarded to Midwest Loan Services (MLS) using the wiring information below.

Midwest Loan Services
University Bank
2015 Washtenaw Ave.
Ann Arbor, MI 48104
ABA: 072 413 722

To Credit:
CBC Mortgage Agency
c/o Midwest Loan Services
Attn: Payment Processing
400 Quincy St. Floor 6
Hancock, MI 49930
Account # 7010222

For Credit to:
Loan # _____
Borrower name #_____

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EXHIBIT A

DEFINITIONS

The following terms are defined as set forth below:

Accepted Practices: As to any Mortgage Loan or Second Loan (as applicable), each loan origination and servicing policy, practice, and procedure that: (a) complies with (i) the Mortgage Loan Documents and all other contractual obligations of Seller, the originator of such Mortgage Loan or Second Loan, or any prior owner or servicer of the Mortgage Loan or Second Loan, (ii) all Applicable Laws, (iii) the Correspondent Seller Guide, (iv) if the Mortgage Loan or Second Loan is an Agency Mortgage Loan, all applicable Agency Guidelines, and (v) if the Mortgage Loan or Second Loan is a MERS Mortgage Loan, all applicable requirements of MERS; and (b) to the extent not inconsistent with clause (a), customarily is followed by prudent financial institutions which regularly originate or service mortgage loans of the same type as the Mortgage Loan or Second Loan in the ordinary course of business and in the same jurisdiction where the Mortgaged Property is located.

Agency: Any governmental agency, board, commission, instrumentality or other governmental or quasi- governmental body or office, including the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal National Mortgage Association ("Fannie Mae"), the Government National Mortgage Association ("Ginnie Mae"), the Federal Housing Administration ("FHA"), the United States Department of Housing and Urban Development ("HUD"), the United States Department of Veterans Affairs ("VA"), Federal Emergency Management Association ("FEMA"), and any successors thereto.

Agency Guidelines: The regulations, rules, requirements and guidelines of any Agency.

ALTA: The American Land Title Association or any successor thereto.

Applicable Law: Each requirement imposed pursuant to any common law, constitution, decree, demand, injunction, interpretation, judgment, order, ordinance, regulation, requirement, rule, statute, treaty, or writ issued by any governmental authority, including, as applicable, any Agency.

Applicable Requirement: Each requirement imposed pursuant to: (a) the CLPA or any other contract by Seller or other loan originator relating to the origination, pledge, pooling, purchase, sale, securitization, or servicing of any Mortgage Loan or Second Loan; (b) any Accepted Practice or Applicable Law; (c) this CLPA Supplement; (d) as to any Mortgage Loan or Second Loan (as applicable), any Mortgage Loan Document or other document or instrument in the Mortgage File; (e) as to any Agency Mortgage Loan, any applicable Agency Guidelines; and/or (f) as to any MERS Mortgage Loan, any applicable requirement of MERS.

Best Efforts Delivery: Has the meaning set forth in Section 2.c of Addendum A to the Seller Guide.

Breach: As to any Mortgage Loan or Second Loan (as applicable): (a) the failure of such Mortgage Loan to conform with any Mortgage Loan (or Second Loan) representation herein on or as of the applicable determination date; (b) the determination by any potential or actual Subsequent Transferee is not eligible for sale and delivery to, or for certification and pooling into, mortgage-backed securities issued by or on behalf of, such Subsequent Transferee; (c) the requirement by any potential or actual Subsequent Transferee that (i) such Mortgage Loan be repurchased by Purchaser or removed from any security or any pool of loans or (ii) Purchaser indemnify or

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reimburse it for losses; (d) the breach of any representation, warranty or covenant or the non-fulfillment or non-performance of any condition hereunder and in Purchaser's sole discretion, such breach, non-fulfillment or non-performance has or may have a material adverse effect upon the value of such Mortgage Loan or Second Loan; or (e) a loss of mortgage insurance or denial of coverage by any mortgage insurer on such Mortgage Loan;

Business Day: Any day other than (i) a Saturday or Sunday, or (ii) a day on which banking and savings and loan institutions in the State of Utah are authorized or obligated by law or executive order to be closed.

Condemnation Proceeds: All awards or settlements in respect of a Mortgaged Property, whether permanent or temporary, partial or entire, by exercise of the power of eminent domain or condemnation, to the extent not required to be released to a Mortgagor in accordance with the terms of the related Mortgage Loan Documents.

Damages: Any and all liabilities, obligations, damages, judgments, deficiencies, losses, claims, costs, and expenses, including attorneys' fees, expert fees and other court related expenses, and any amounts owed by Purchaser to a third party resulting from any repurchase, indemnity or other obligations of Purchaser to such party (including any damages or losses of such third party, refunds, early payoff or prepayment fees or penalties, or administrative or legal fees owed such party by Purchaser).

Early Payment Default: Has the meaning set forth in Section 6.c.

Escrow Payments: With respect to any Mortgage Loan, the amounts constituting ground rents, taxes, assessments, water rates, sewer rents, municipal charges, mortgage insurance premiums, fire and hazard insurance premiums, condominium charges, and any other payments required to be escrowed by the Mortgagor with the mortgagee pursuant to the Mortgage or any other document.

FHA Mortgage Loan: A Mortgage Loan that is subject to an insurance policy granted by the FHA and eligible for reimbursement thereunder.

Interim Servicer: Seller, acting on its own behalf or through a subservicer.

Insurance Proceeds: With respect to each Mortgage Loan, proceeds of insurance policies insuring the Mortgage Loan or the related Mortgaged Property.

Liquidation Proceeds: Cash received in connection with the liquidation of a defaulted Mortgage Loan, whether through the sale or assignment of such Mortgage Loan, trustee's sale, foreclosure sale or otherwise, or the sale of the related Mortgaged Property if the Mortgaged Property is acquired in satisfaction of the Mortgage Loan.

Lock Commitment: Has the meaning set forth in Section 2.b.

Lock Date: Has the meaning set forth in Section 2.b.

Lock Period: Has the meaning set forth in Section 2.b.

Material Adverse Change: Any circumstance that, with or without notice or the lapse of time or both, reasonably could be expected (a) to impair (i) the ability of Seller to perform the Agreement in accordance with all Applicable Requirements, (ii) the enforceability of the Agreement against Seller, or (iii) the value of any Mortgage Loan or Purchaser's interest therein, (b) to have an adverse effect upon the business operations, commercial prospects, corporate existence, or financial condition of Seller, or (c) to cause any representation or warranty made by Seller herein not to be true and correct on or as of the applicable determination date.

MERS: Mortgage Electronic Registration Systems, Inc. or any successor thereto.

MERS Mortgage Loan: Any Mortgage Loan registered with MERS on the MERS System.

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MERS System: The system of recording transfers of mortgages electronically maintained by MERS.
Monthly Payment: With respect to each Mortgage Loan, the related scheduled amount payable under the related Mortgage Note and Mortgage, including principal, interest, escrows and other required amounts.
Mortgage: The mortgage, deed of trust or other instrument securing a Mortgage Note, which creates a first or second lien, as applicable, on an unsubordinated estate in fee simple in real property securing the Mortgage Note.
Mortgage File: The items pertaining to a particular Mortgage Loan referred to in Exhibit B annexed hereto, and any additional documents required to be added to the Mortgage File pursuant to the CLPA or this CLPA Supplement.
Mortgage Loan: Each individual mortgage loan which is the subject of the CLPA, originally sold and subject to the CLPA being identified on the related Purchase Advice, and, unless otherwise specified in the CLPA, this CLPA Supplement, or Applicable Law, including the related Mortgage Loan Documents, the Monthly Payments, the Mortgage Loan Proceeds, Servicing Rights and all other rights, benefits, proceeds and obligations arising from or in connection with such mortgage loan.
Mortgage Loan Documents: With respect to any Mortgage Loan or Second Loan (as applicable), the documents in the Mortgage File, along with all other records and documents with respect to such Mortgage Loan or Second Loan.
Mortgage Loan Proceeds: As to any Mortgage Loan: (a) all Monthly Payments, principal prepayments, Escrow Payments, Insurance Proceeds, Condemnation Proceeds, REO Disposition and Liquidation Proceeds due, payable, or received in connection with such Mortgage Loan; and (b) all ancillary income, float benefit, and other charges, earnings, fees, income, penalties, premiums, proceeds, and other revenue attributable to or derived from such Mortgage Loan or the servicing thereof.
Mortgage Note: The note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage.
Mortgaged Property: The real property securing repayment of the debt evidenced by a Mortgage
Mortgagor: The obligor on a Mortgage Note.
MRI: Has the meaning set forth in the recitals hereto.
Party: Means Seller or Purchaser, as applicable.
Parties: Means Seller and Purchaser.
Person: Any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof.
Permitted Liens: Any of the following with respect to a Mortgage: (a) in the case of a Second Loan, the related first lien; (b) the lien of current real property taxes and assessments not yet due and payable; (c) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording 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 (i) referred to or to otherwise considered in the appraisal made for the originator of the Mortgage Loan or (ii) which do not adversely affect the appraised value of the Mortgaged Property set forth in such appraisal; and (iii) other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security

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intended to be provided by the Mortgage or the use, enjoyment, value or marketability of the related Mortgaged Property.
Portal: Has the meaning set forth in Section 2.a.
Premium: As to any Mortgage Loan, the sum of (a) the amount (if any) by which the Purchase Price paid by Purchaser to Seller exceeded 100% of the Stated Principal Balance of the Mortgage Loan, plus (b) all out-of-pocket costs, damages, expenses, fees (including attorneys' fees) fines, liabilities, and other losses expended by Purchaser in connection with the pledge, pooling, purchase, sale, securitization, or servicing of such Mortgage Loan, including all amounts due or payable to any Subsequent Transferee in connection with such Mortgage Loan.
Program: Has the meaning set forth in the recitals hereto.
Purchase Advice: As to any Mortgage Loan, the form prepared and provided by Purchaser to Seller in connection with the purchase and sale of such Mortgage Loan.
Purchase: the consummation of the sale and purchase of a Mortgage Loan on a Purchase Date.
Purchase Conditions: Each of the following conditions: (a) all of the representations and warranties of Seller under this Agreement shall be true and correct as of the related Purchase Date; (b) all other terms and conditions of this Agreement, the Correspondent Seller Guide, and the Purchase Advice shall have been complied with or waived, and no event shall have occurred which, with notice or the passage of time, would constitute a default under any of the foregoing; and (c) Seller shall not have experienced any Material Adverse Change since the immediately previous Purchase Date (or, with respect to the first Purchase, the Effective Date)..
Purchase Date: The relevant date on which Purchaser purchases and Seller sells a Mortgage Loan as specified in the related Purchase Advice, or such other date as may be mutually agreed by the Parties in writing.
Purchase Price: The price paid by Purchaser to Seller in exchange for a Mortgage Loan, which shall be equal to (a) the Stated Principal Balance of such Mortgage Loan as of the related Purchase Date times (b) the applicable Purchase Price Percentage.
Purchase Price Percentage: With respect to each Mortgage Loan, the percentage determined in accordance with the applicable Rate Sheet and set forth in the related Lock Commitment and Purchase Advice; provided, that, if the Purchase Date for such Mortgage Loan occurs after the expiration of the Lock Period, the Purchase Price Percentage shall be the higher of (a) the percentage set forth on the Lock Commitment and (b) the rate determined pursuant to the applicable Rate Sheet in effect as of the Purchase Date.
Purchaser: Has the meaning set forth in the first paragraph.
Purchaser Indemnitee: Has the meaning set forth in Section 6.g.
Rate Sheet: Has the meaning set forth in Section 2.a.
Reconstitution: Any of the following transactions by Purchaser: (a) sale of the Mortgage Loans either to whole loan purchasers (whole loan transfers); (b) exchange of the Mortgage Loans for Agency securities (Agency transfers); or (c) conveyance of the Mortgage Loans to securitized trust structures (pass-through transfers).
REO Disposition Proceeds: All amounts received with respect to an REO disposition.
Representative: As to any Person, each accountant, agent, attorney, director, employee, manager, member, officer, owner, partner, shareholder or trustee of such Person.
Repurchase Obligation: Has the meaning set forth in Section 6.b.i.

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Repurchase Price: With respect to any Mortgage Loan, a price equal to (i) the Stated Principal Balance of the Mortgage Loan; plus (ii) all accrued unpaid interest through and including the date of the repurchase; plus (iii) any Premium; plus (iv) all unreimbursed costs, advances, and expenses incurred or disbursed by Purchaser in connection with the Mortgage Loan or the related Mortgaged Property, including fees and expenses of counsel (both in-house and outside counsel) associated with enforcing Seller's Repurchase Obligations hereunder or in connection with any foreclosure or short sale of the Mortgaged Property, costs incurred by Purchaser or any successor holder in connection with the foreclosure and management/care of the property, any advances made by Purchaser for the account of a Mortgagor, the cost of funds on a daily basis from the Purchase Date until the repurchase date, plus interest on said costs and expenses and amounts under (i) through (iii) above at the legal rate of interest in effect from the date such costs and expenses are incurred by Purchaser; plus (v) any additional amount(s) or pass-through costs that Purchaser or any affiliate is required to pay to repurchase the Mortgage Loan from any subsequent assignee. In the event Seller fails to comply with its repurchase obligations, Purchaser may assess Seller a late fee of one-percent of the Repurchase Price per month until the Mortgage Loan has been repurchased. Acceptance of any late fee shall not constitute a waiver of default and shall not prevent Purchaser from exercising any other remedies or rights.

Securitization Transaction: Any transaction involving (a) the sale or other transfer of some or all of the Mortgage Loans directly or indirectly by Purchaser to a trust or other issuing entity in connection with the issuance of a publicly offered and/or privately placed, rated or unrated mortgage pass-through or other mortgage-backed securities, or (b) the issuance of publicly offered and/or privately placed, rated or unrated mortgage pass-through or other mortgage-backed securities, the payments of 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.

Servicing File: With respect to each Mortgage Loan or Second Loan (as applicable), the file retained by Seller until the applicable Transfer Date consisting of originals of all documents in the Mortgage File, which are not delivered to Purchaser or Purchaser's designee, and copies of the other Mortgage Loan Documents.

Servicing Rights: Any and all of the following: (a) any and all rights to service the Mortgage Loans; (b) any payments to or monies received by Seller for servicing the Mortgage Loans; (c) any late fees, penalties or similar payments with respect to the Mortgage Loans; (d) all agreements or documents creating, defining or evidencing any such servicing rights to the extent they relate to such servicing rights and all rights of Seller thereunder; (e) Mortgage Loan Proceeds with respect to the Mortgage Loans and any amounts actually collected by Seller with respect thereto; (f) all accounts and other rights to payment related to any of the property described in this paragraph; and (g) any and all documents, files, records, servicing files, servicing documents, servicing records, data tapes, computer records, or other information pertaining to the Mortgage Loans or pertaining to the past, present or prospective servicing of the Mortgage Loans.

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Stated Principal Balance: As to each Mortgage Loan, (a) the principal balance of the Mortgage Loan at the related Purchase Date after giving effect to payments of principal received on or before such date and any payments that are credited to Purchaser but not yet received, minus (b) all amounts previously distributed to Purchaser or Purchaser's designee with respect to the related Mortgage Loan representing payments or recoveries of principal, including in foreclosure, or advances in lieu thereof.

Subsequent Transferee: Each Person (including any Agency) that is an direct or indirect transferee from Purchaser of any right, title, or interest in, to or under this Agreement or one or more Mortgage Loans, including in connection with any Reconstitution.

Third-Party Originator: The originator of any Mortgage Loan other than Seller.

Transfer Date: The date on which Purchaser or its designee, shall receive the transfer of servicing responsibilities and begin to perform the servicing of the related Mortgage Loans or Second Loans (as applicable), and Seller shall cease all servicing responsibilities. For each first Mortgage Loan, such date shall be the date specified by Purchaser to Seller on the related Purchase Advice or otherwise in writing. For each Second Loan, such date shall be the Purchase Date.

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EXHIBIT B

CONTENTS OF EACH MORTGAGE FILE

With respect to each Mortgage Loan and Second Loan (as applicable), the Mortgage File shall include each of the following items, which shall be available for inspection by Purchaser and any prospective Purchaser, and which shall be delivered to Purchaser pursuant to the Purchase Agreement to which this Exhibit is attached (the "Agreement"):

1. An allonge to the original Mortgage Note.
2. The original of any guarantee executed in connection with the Mortgage Note.
3. The original Mortgage, with evidence of recording thereon. If in connection with any Mortgage Loan or Second Loan (as applicable), Seller cannot deliver or cause to be delivered the original Mortgage with evidence of recording thereon on or prior to the related Purchase Date because of a delay caused by the public recording office where such Mortgage has been delivered for recordation or because such Mortgage has been lost or because such public recording office retains the original recorded Mortgage, Seller shall deliver or cause to be delivered to Purchaser, a photocopy of such Mortgage, together with (i) in the case of a delay caused by the public recording office, a written correspondence from an officer of Seller stating that such Mortgage has been dispatched to the appropriate public recording office for recordation and that the original recorded Mortgage or a copy of such Mortgage certified by such public recording office to be a true and complete copy of the original recorded Mortgage will be promptly delivered to Purchaser upon receipt thereof by Seller; or (ii) in the case of a Mortgage where a public recording office retains the original recorded Mortgage or in the case where a Mortgage is lost after recordation in a public recording office, a copy of such Mortgage certified by such public recording office to be a true and complete copy of the original recorded Mortgage. In any event, Seller shall deliver to Purchaser the original recorded Mortgage (in the case of clause (i) above) or a certified copy (in the case of clause (ii) above) within 90 days after the related Purchase Date.
4. The originals of all assumption, modification, consolidation or extension agreements, with evidence of recording thereon.
5. The original mortgagee policy of title insurance, or, if the original policy has not yet been released by the insurer, the related binders. In any event, Seller shall deliver to Purchaser the original policy of title insurance within 90 days after the related Purchase Date. The policy must be properly endorsed, any necessary notices of transfer must be forwarded and any other action required to be taken must be taken in order to fully protect, under the terms of the policy and applicable law, Purchaser's interest as first mortgagee.
6. Original HUD Mortgage Insurance Certificate (MIC) or evidence of private mortgage insurance, as applicable and as required.
7. Any security agreement, chattel mortgage or equivalent executed in connection with the Mortgage.
8. The original hazard insurance policy and, if required by law, flood insurance policy, in accordance with the Correspondent Seller Guide.
9. Residential loan application.

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10. Mortgage Loan closing statement.
11. Verification of employment and income.
12. Verification of acceptable evidence of source and amount of down payment.
13. Credit report on the Mortgagor.
14. Residential appraisal report, including interior, exterior and street view pictures of the subject property along with pictures of all comparables.
15. Survey of the Mortgaged Property, if any.
16. Copy of each instrument necessary to complete identification of any exception set forth in the exception schedule in the title policy, i.e., map or plat, restrictions, easements, sewer agreements, home association declarations, etc.
17. All required disclosure statements.
18. If available, termite report, structural engineer's report, water potability and septic certification.
19. Sales contract.
20. Tax receipts, insurance premium receipts, ledger sheets, payment history from date of origination, insurance claim files, correspondence, current and historical computerized data files, and all other processing, underwriting and closing papers and records which are customarily contained in a mortgage loan file and which are required to document the Mortgage Loan or Second Loan (as applicable) or to service the Mortgage Loan or Second Loan (as applicable).
21. Amortization schedule.

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ADDENDUM A

SUPPLEMENT TO CORRESPONDENT MORTGAGE LOAN PURCHASE AGREEMENT

This Supplement to Correspondent Mortgage Loan Purchase Agreement and the other terms of this Correspondent Seller Guide (collectively, this "CLPA Supplement"), is incorporated into and made part of the Correspondent Mortgage Loan Purchase Agreement between Seller and Purchaser (the "CLPA"), and governs the purchases of Mortgage Loans by Purchaser from Seller.

1. **Definitions.** All capitalized terms used in this CLPA Supplement shall have the meanings set forth in Exhibit A to this Supplement, in the CLPA, or as otherwise defined herein.

2. **Pricing; Lock Commitments; Purchases**.

a) Rate Sheet. Purchaser may periodically provide Seller with a rate sheet (the "Rate Sheet") setting forth interest rates, discount points, lock-in periods, and such other pricing terms as Purchaser in its sole discretion shall determine. Purchaser may provide Rate Sheets to Seller via email transmission or by posting them to Purchaser's correspondent lender online portal (the "Portal") on a daily basis or in such other manner and at such other times as Purchaser considers appropriate in its sole discretion. Purchaser reserves the right to change the terms of any Rate Sheet at any time and without notice to Seller.

b) Lock Commitment. When Seller desires to offer a Mortgage Loan for sale to Purchaser, Seller shall submit all of the documentation and other information required by this CLPA Supplement, in the forms required by this CLPA Supplement, by upload through the Portal. Seller shall confirm completion of such submission as required by this CLPA Supplement (by clicking on the applicable Portal call to action button or otherwise directed by Purchaser), and upon such confirmation Seller shall be deemed to have offered the Mortgage Loan for sale to Purchaser pursuant to the terms of the applicable Rate Sheet and the CLPA (the date of such confirmation, the "Lock Date"). Purchaser may issue to Seller a written commitment to purchase the offered Mortgage Loan upon the satisfaction of the Purchase Conditions and on the applicable terms set forth herein (the "Lock Commitment"). With respect to each Mortgage Loan under a Lock Commitment, Purchaser agrees to pay the applicable Purchase Price for the time period agreed to as of the date of the Lock Commitment (the "Lock Period"), provided that all of the applicable terms and conditions of the CLPA and the related Lock Commitment have been met. Seller agrees to close each such Mortgage Loan and to deliver same to Purchaser within Lock Period. The Rate Sheet applicable to each Mortgage Loan shall be the Rate Sheet in effect as of the Lock Date.

c) Best Efforts Delivery. Absent a written agreement between Purchaser and Seller, Mortgage Loans are subject to Best Efforts Delivery. "Best Efforts Delivery" means a Lock Commitment under which Seller has committed to exercise its best efforts to close and deliver a specific Mortgage Loan that is eligible for purchase by Purchaser pursuant to the CLPA and conforms to the interest rate lock terms for the specific Mortgage Loan. If a Mortgage Loan

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subject to Best Efforts Delivery does not close, Seller shall not owe Purchaser a pair-off fee. If the Best Efforts Delivery Mortgage Loan closes under different terms than locked or if Purchaser has not rejected the Mortgage Loan and a Best Efforts Delivery Mortgage Loan does close but is not delivered, unless the Lock Commitment sets forth alternative pair-off fee terms, Seller shall pay a pair-off fee to Purchaser in the amount of the greater of: (i) 0.125% of the locked Mortgage Loan amount; (ii) if the market price is better, the full difference between the locked price and the market price; and (iii) if the market price has declined and the Mortgage Loan was cancelled after being suspended for 30 days or more, 0.750% of the locked Mortgage Loan amount. For purposes of determining a pair-off fee, the market price is the initial best-efforts price published by Purchaser pursuant to the related Rate Sheet for a Mortgage Loan with the terms, other than price, of the locked Mortgage Loan on the day following the earlier of (x) the notice of non-delivery or (y) the expiration of the interest rate lock.

d) Purchase and Conveyance. Each sale and purchase of a Mortgage Loan by Purchaser from Seller on a Purchase Date (each a "Purchase") shall: (i) be subject to the terms of the CLPA, this CLPA Supplement, and the satisfaction or waiver of all Purchase Conditions on or before the related Purchase Date; (ii) take place on the related Purchase Date; and (iii) be evidenced by the related Purchase Advice.

3. **Servicing of the Mortgage Loans; Transfer of Servicing**.

a) Servicing Released. The Mortgage Loans shall be sold by Seller to Purchaser on a servicing released basis. Purchaser shall retain the Interim Servicer as the contract servicer of the Mortgage Loans for an interim period beginning on the applicable Purchase Date and concluding on the applicable Transfer Date for no additional consideration. Seller shall conduct servicing of each Mortgage Loan in accordance with Accepted Practices. The Interim Servicer shall advise Purchaser from time to time of such servicing actions that the Interim Servicer believes should be taken with respect to any Mortgage Loan and will take such actions to the extent authorized to do so by Purchaser. The Interim Servicer shall not, without the prior written consent of Purchaser: (i) commence foreclosure proceedings; (ii) liquidate any Mortgage Loan (including through short sale or acceptance of a deed-in-lieu of foreclosure); or (iii) modify or defer any Mortgage Loan (including releasing any collateral or any party from liability on or with respect to such Mortgage Loan, forgiving of principal, entering into of any forbearance, payment deferral, or similar agreement, or granting of any interest set-aside). If the Interim Servicer takes any of the foregoing actions with respect to any Mortgage Loan without the prior written consent of Purchaser, Seller shall repurchase such Mortgage Loan upon demand of Purchaser.

b) Servicing File. Seller's (or the Interim Servicer's) possession of any portion of the Servicing File is at the will of Purchaser for the sole purpose of facilitating servicing of the related Mortgage Loan prior to the Transfer Date, and such retention and possession by Seller shall be in a custodial capacity only, in trust for Purchaser. The Servicing File retained by Seller prior to the Transfer Date shall be segregated from the other books and records of Seller

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and shall be appropriately marked to clearly reflect the sale of the related Mortgage Loan to Purchaser.

c) Transfer of Servicing. With respect to each Mortgage Loan, on the related Transfer Date, Purchaser or its designee shall assume all servicing responsibilities related to, and Seller shall cease all servicing responsibilities related to, such Mortgage Loan. On or prior to the related Transfer Date, Seller shall, at its sole cost and expense, take such steps as may be necessary or appropriate to effectuate and evidence the transfer of the servicing of the Mortgage Loans to Purchaser or its designee, including those steps set forth in this CLPA Supplement as well as the following, in each case in accordance with Applicable Requirements: (i) mailing to the Mortgagor of each Mortgage a "goodbye letter"; (ii) providing appropriate notice to taxing authorities and insurance companies; and (iii) forwarding to Purchaser or its designee all servicing records and the Servicing File relating to each Mortgage Loan. Any misapplied payments relating to a Mortgage Loan shall be processed in accordance with this CLPA Supplement. Further requirements for the transfer of servicing that must be followed are located in the Seller Guide.

4. **Seller Representations**. Seller hereby covenants, represents and warrants, on and as of each Purchase Date, each Transfer Date, and at all other times during the term of the CLPA, as follows:

a) Due Authorization. (i) The execution, delivery and performance of the CLPA (including all instruments of transfer to be delivered pursuant to the CLPA) by Seller and the consummation of the transactions contemplated hereby have been duly authorized, and (ii) the CLPA evidences the valid, binding and enforceable obligation of Seller;

b) Corporate Representations. Seller (i) is duly organized, validly existing and in good standing under the laws of the state of its formation, (ii) possesses each license, permit, qualification and registration appropriate or necessary for Seller to execute, deliver and perform the CLPA in accordance with all Applicable Requirements, (iii) has obtained each approval, authorization or consent appropriate or necessary for Seller to execute, deliver and perform the CLPA in accordance with all Applicable Requirements, (iv) has not admitted in writing its inability to pay any indebtedness as it becomes due, (v) is not insolvent or engaged in any business or transaction for which any property of Seller is an unreasonably small capital, (vi) does not intend to incur any indebtedness that would be beyond the ability of Seller to pay upon maturity, or to hinder, delay, or defraud any Person to which Seller is indebted, and (vii) has determined that (1) the Purchase Price constitutes fair consideration and reasonably equivalent value for each Mortgage Loan, and (2) the disposition of each Mortgage Loan will be afforded sale treatment for accounting and tax purposes;

c) No Conflicts. (i) Seller's execution, delivery and performance of the CLPA will not (1) conflict with or result in a breach of any of the terms, conditions or provisions of Seller's organizational documents or any contractual obligation to which Seller is bound, or constitute a default or result in an acceleration under any of the foregoing, or (2) result in the violation of

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any Applicable Requirement, impair the ability of Purchaser to realize on the Mortgage Loans, or impair the value of the Mortgage Loans, (ii) the consummation of the transactions contemplated by the CLPA are in the ordinary course of business of Seller, (iii) the transfer, assignment and conveyance of the Mortgage Notes and the Mortgages by Seller pursuant to the CLPA are not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction, (iv) Seller does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant required of Seller under the CLPA, and (v) the selection of each Mortgage Loan offered for sale to Purchaser (1) was made from among Seller's entire portfolio of mortgage loans for which the loan representations herein could be made, and (2) was not intended to identify mortgage loans that are less desirable than other mortgage loans owned by Seller;

d) No Litigation Pending. There is no action, suit, proceeding or investigation pending or, to Seller's knowledge, threatened against Seller (i) which, either in any one instance or in the aggregate, is likely to result in any Material Adverse Change, (ii) relating to any alleged error, action, inaction, misstatement, or omission by Seller or any of its Representatives or any Third Party Originator (1) in connection with the origination, pledge, pooling, purchase, sale, securitization, or servicing of any Mortgage Loan or (2) that allegedly involves bad faith, breach of fiduciary duty, criminal activity, fraud, gross negligence, intentional misconduct, or a willful violation of any Applicable Requirement;

e) No Untrue Information. Neither the CLPA nor any statement, report, information or other document furnished or to be furnished by Seller pursuant to the CLPA or in connection with the transactions contemplated hereby contains any untrue statement of material fact or omits to state a fact necessary to make the statements contained therein not materially misleading;

f) No Commissions to Third Parties. Seller has not dealt with any broker or agent or anyone else who might be entitled to a fee or commission in connection with the transactions contemplated hereby;

g) MERS. Seller is a member of MERS in good standing, and will comply in all material respects with the rules and procedures of MERS in connection with each MERS Mortgage Loan;

h) Quality Control. Seller has implemented and will maintain a quality control program that meets or exceeds Agency Guidelines and that reviews the authenticity of the information utilized in underwriting Mortgage Loans, including verification of credit information, accuracy of appraisal, and verification of employment. Seller acknowledges that Purchaser is relying on Seller as to the truth and accuracy of such third-party information contained in Mortgage Loan Documents. Seller shall inform Purchaser of any irregularities discovered on Mortgage Loans, and to take appropriate remedial action, which may, in accordance with the terms of the CLPA, include repurchasing Mortgage Loans as a result of the inaccuracy of such information. Within five Business Days of request from Purchaser,

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Seller shall provide copies of its quality control findings with respect to requested Mortgage Loans;

i) Policies. Seller has implemented and shall maintain (i) a UDAAP compliance policy that meets or exceeds Agency Guidelines and in no event is less than what is required to ensure clear, conspicuous, and timely notice to applicants of every Mortgage Loan that would satisfy the definitions contained in 12 U.S.C. §5531 and its implementing regulations, whether such law is applicable to the Mortgage Loan or not; (ii) a system for reviewing and responding to customer complaints; (iii) a satisfactory anti-money laundering program as required by Applicable Law; (iv) an appropriate privacy policy and corresponding controls requiring that all nonpublic personal information received or obtained by it with respect to any Mortgagor is obtained, held and used in accordance with Applicable Law; and (v) an adequate and appropriate program for assessing compliance with the foregoing policies and systems;

j) Third-Party Originators. Seller has validated that the representations and warranties of Seller contained in this Section 4 are true and correct with respect to each Third-Party Originator; and

k) Notice Obligations. Seller shall promptly notify Purchaser of: (i) any failure of any of the Mortgage Loans, Second Loans, or Seller to comply with any of Seller's representations, warranties or covenants under the CLPA; (ii) any action, event, or condition of any nature affecting Seller which may lead to or result in a Material Adverse Change; and (iii) any circumstance that is likely to lead to Seller's indemnification or repurchase obligations hereunder being triggered.

5. **Mortgage Loan Representations.**

Seller hereby covenants, represents and warrants, on and as of each Purchase Date and each Transfer Date, as follows with respect to each Mortgage Loan and, as applicable, each Second Loan:

a) Mortgage Loan Documents. Each Mortgage Loan Document (i) is duly executed and constitutes a binding, enforceable, and valid obligation of the Mortgagor without counterclaim, setoff, surcharge, right of rescission or any other defense, (ii) is freely assignable and transferrable by Seller to Purchaser without prior notice to or consent from the Mortgagor or any other Person, (iii) is complete, correct, and genuine in all respects, (iv) does not contain any provision that (1) has been altered, amended, cancelled, invalidated, modified, released, rescinded, subordinated, or waived in whole or in part, except by a written document included in the Mortgage File that has been approved and executed by all applicable Persons, (2) reasonably could be expected to render the Mortgage Loan Document void or voidable in whole or in part, (3) constitutes a buydown structure, a pick-a-payment option, or a contingent or simple interest feature, (4) allows for dispute arbitration, graduated payments, negative amortization, balloon payments, rate conversion, or a term to maturity greater than 30 years, or (5) misstates any material fact or omits to state any material fact necessary in order to make any representation, warranty, or statement therein not misleading, and (6) complies, in both form and substance, with all Applicable Requirements. No

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Mortgage Loan was made in connection with the construction or rehabilitation of the Mortgaged Property or facilitating the trade-in or exchange of the Mortgaged Property.

b) Payments Current. All payments due on or prior to the applicable Purchase Date have been made as of the applicable Purchase Date. No payment under the Mortgage Loan is more than 30 days past due or has been 30 days or more past due since origination. No payment made on the Mortgage Loan has been dishonored;

c) No Outstanding Charges. There are no defaults in complying with the terms of the Mortgage, and all taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments or ground rents 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. Seller has not advanced funds, or induced, solicited or knowingly received any advance of funds by a party other than the Mortgagor, directly or indirectly, for the payment of any amount required under the Mortgage Loan;

d) Hazard and Flood Insurance.

i. Pursuant to the terms of the Mortgage, all buildings or other improvements upon the Mortgaged Property are insured by a generally acceptable insurer against loss by fire, hazards of extended coverage and such other hazards as are customary in the area where the Mortgaged Property is located pursuant to insurance policies conforming to all Applicable Requirements. The Mortgage obligates the Mortgagor thereunder to maintain the hazard insurance policy at the Mortgagor's cost and expense, and on the Mortgagor's failure to do so, authorizes the holder of the Mortgage to obtain and maintain such insurance at such Mortgagor's cost and expense, and to seek reimbursement therefor from the Mortgagor. Where required by state law or regulation, the Mortgagor has been given an opportunity to choose the carrier of the required hazard insurance, provided the policy is not a "master" or "blanket" hazard insurance policy covering the common facilities of a planned unit development;

ii. If all or any part of the Mortgaged Property is located in a "special flood hazard area" identified by FEMA, then the Mortgaged Property is insured by a policy of flood insurance that complies with all Applicable Requirements, and is either (i) written on the National Flood Insurance Program dwelling form or general property form of Standard Flood Insurance Policy or (ii) issued by a duly licensed insurance carrier generally acceptable to prudent financial institutions which originate or service mortgage loans of the same type as the Mortgage Loan in the ordinary course of business and in the jurisdiction where the Mortgaged Property is located. All insurance policies contain a standard mortgagee clause naming Seller and its successors and assigns as mortgagee, and all premiums thereon have been paid;

iii. Each insurance policy is the valid and binding obligation of the insurer, is in full force and effect, and will be in full force and effect and inure to the benefit of Purchaser upon the consummation of the transactions contemplated by the CLPA. Seller has not engaged in,and has no knowledge of the Mortgagor or any servicer or subservicer having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for herein, or the validity and binding effect of either. Seller has caused or will cause to

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be performed any and all acts required to preserve the rights and remedies of Purchaser in any insurance policies applicable to the Mortgage Loans including any necessary notifications of insurers, assignments of policies or interests therein, and establishments of coinsured, joint loss payee and mortgagee rights in favor of Purchaser;

e) Title Insurance. The Mortgage Loan is covered by a loan policy of title insurance that (i) is an ALTA lender's title insurance policy or other form of policy of insurance acceptable under Applicable Requirements, (ii) is issued by a duly licensed insurance carrier that is generally acceptable to prudent financial institutions which originate mortgage loans of the same type as the Mortgage Loan in the ordinary course of business and in the jurisdiction where the Mortgaged Property is located, (iii) is in full force and effect without any unpaid premium or other amount due and payable, (iv) provides (1) "gap coverage" for the period of time between closing of the Mortgage Loan and recordation of the Mortgage, and (2) "extended coverage" that deletes the standard exceptions relating to matters that are not shown by the public records or that would be disclosed by a land survey, (v) includes all standard endorsements that are customarily requested, and does not include any special exceptions that are customarily rejected, by prudent financial institutions which originate mortgage loans of the same type as the Mortgage Loan in the ordinary course of business and in the jurisdiction where the Mortgaged Property is located, (vi) contains a standard mortgagee clause (1) naming Seller and its successors and assigns as the sole insured, loss payee, and mortgagee, and (2) requiring notice to the mortgagee in the event of cancellation or modification, and (vii) insures, in an amount equal to or greater than the Stated Principal Balance as of the related Purchase Date, (1) the enforceability, perfection, priority, and validity of the lien created by the Mortgage, and against any loss resulting from the invalidity or unenforceability thereof due to any provisions in the Mortgage Loan Documents that provide for adjustments to the interest rate or loan payments, and (2) ingress to and egress from the Mortgaged Property, and against any easements and encroachments thereby or thereupon;

f) Tax Service Contract. The Mortgage Loan has a transferable life-of-loan real estate tax service contract from an approved provider assignable to Purchaser without cost (or Purchaser has withheld the life-of-loan real estate tax service charge from the Purchase Price of the Mortgage Loan);

g) Flood Certification Contract. The Mortgage Loan has a transferable life-of-loan flood certification contract from an approved provider assignable to Purchaser without cost (or Purchaser has withheld the life-of-loan flood certification charge from the Purchase Price of the Mortgage Loan);

h) Compliance with Applicable Requirements. The origination, servicing and each prior purchase and sale of the Mortgage Loan has complied with all Applicable Requirements, including any Applicable Laws relating to usury, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, disclosure, predatory and abusive lending, unfair and deceptive practices, fraud, lack of consideration, unconscionability, fair housing, prepayment penalties, anti-money laundering (including all Office of Foreign Assets

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control laws and requirements), privacy, and consumer credit transactions. The Mortgage Loan is a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Internal Revenue Code;

i) No Satisfaction of Mortgage. The 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 release, cancellation, subordination or rescission. Seller has not waived the performance by the Mortgagor of any action, if the Mortgagor's failure to perform such action would cause the Mortgage Loan to be in default, nor has Seller waived any default resulting from any action or inaction by the Mortgagor;

j) Mortgaged Property. The Mortgaged Property (i) is a fee simple property located in the state identified in the related Purchase Advice or applicable Mortgage Loan Documents, (ii) consists of a single parcel of real property with a detached single family residence erected thereon, or a one- to two-family dwelling, or an individual condominium unit so long as it meets FHA Guidelines, or an individual unit in a planned unit development, (iii) is none of a cooperative unit, rural property, mobile home or a manufactured dwelling; (iv) is not used for agricultural or commercial purposes, (v) is in good repair and not affected by any physical damage or deferred maintenance that (1) is not reflected in the most recent appraisal included in the Mortgage File or (2) could reasonably be expected to impair the habitability, use, or value of the Mortgaged Property, (vi) is not protected by any homestead or similar exemption that reasonably could be expected to impair the realization against the Mortgaged Property of all benefits of the lien created by the Mortgage, (vii) is not affected by the presence of, or used for the purpose of disposing, generating, releasing, storing, or treating, any "hazardous material," "hazardous substance," "hazardous waste," "solid waste," or "toxic substance," as those terms are defined pursuant to any Applicable Laws, (viii) is not the subject of any covenant, easement, encumbrance, interest, lien, right, servitude, or other restriction that is not covered by the applicable loan policy of title insurance, (ix) is not the subject of any option or right by any Person, other than the Mortgagor, to acquire any right, title, or interest therein, or to receive any proceeds from the conveyance, encumbrance, or other transfer of any right, title, or interest therein, (x) is not the subject of any pending or threatened legal proceeding by any governmental authority seeking the permanent or temporary condemnation, possession, or taking of all or any part thereof, (xi) is not in a zip code declared by the FEMA as being an "Individual Assistance" property or "Category 1" property (or such similar term(s) or classification(s) that may be used by FEMA from time to time); and (xi) complies with all Applicable Requirements;

k) Valid Lien. The Mortgage (i) creates a valid, subsisting enforceable and perfected first lien and first priority security interest on the Mortgaged Property (subject only to Permitted Liens), for the benefit of Seller and its successors and assigns in all rights, title, and interests (whether now existing or hereafter acquired) of the Mortgagor in, to, and under the Mortgaged Property as collateral for the payment and performance of all monetary and non-monetary obligation imposed upon the Mortgagor pursuant to the Mortgage Loan Documents, (ii) is publicly recorded, or has been submitted for recordation, in accordance with all Applicable Laws of the jurisdiction where the Mortgaged Property is located, (iii) contains customary and enforceable

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provisions that entitle the mortgagee to accelerate payment of the indebtedness evidenced by the Mortgage Note, and to realize against the Mortgaged Property all benefits of the lien created by the Mortgage, in the event of (1) a monetary or non-monetary default pursuant to the Mortgage Loan Documents, or (2) a conveyance, encumbrance, or other transfer of any right, title, or interest of the Mortgagor in, to, or under the Mortgaged Property without the mortgagee's prior written consent, and (iv) complies with all Applicable Requirements. If the Mortgage is a deed of trust, then (x) a duly qualified trustee has been properly designated and currently serves in such capacity, and (y) no costs, expenses, or fees are or will become due or payable by Purchaser to such trustee;

l) Second Loans. With respect to each Second Loan, the mortgage loan that is secured by a first priority lien on the Mortgaged Property: (i) does not prohibit the Mortgagor from granting a second-priority lien upon the Mortgaged Property, (ii) does not allow for graduated payments, negative amortization, rate conversion, or a term to maturity greater than 30 years, and (iii) is not the subject of any monetary or non-monetary default by the Mortgagor pursuant to the related loan documents, and no circumstance has occurred or is continuing that, with or without notice or the lapse of time or both, constitutes or reasonably could be expected to result in any monetary or non-monetary default under the related loan documents;

m) Full Disbursement of Proceeds. The Mortgage Loan has been closed and the proceeds of the Mortgage Loan have been fully disbursed and there is no requirement for future advances thereunder, and any and all requirements as to completion of any on-site or off-site improvement and as to disbursements of any escrow funds therefor have been complied with. All costs, fees and expenses incurred in making or 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;

n) Ownership. Seller is the sole owner of record and holder of the Mortgage Loan. The Mortgage Loan is not assigned or pledged, and Seller has good and marketable title thereto, and has full right to transfer and sell the Mortgage Loan therein to Purchaser free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest, and has full right and authority subject to no interest or participation of, or agreement with, any other party, to sell and assign each Mortgage Loan pursuant to the CLPA. From and after the Purchase Date, Purchaser shall be the sole owner of the Mortgage Note;

o) No Defaults. There is no default, breach, violation or event of acceleration existing under the Mortgage or the Mortgage 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 Seller nor its predecessors have waived any default, breach, violation or event of acceleration;

p) No Mechanics' Liens. 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;

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q) Customary Provisions. The Mortgage contains 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. Upon default by a Mortgagor on a Mortgage Loan and foreclosure on, or trustee's sale of, the Mortgaged Property pursuant to the proper procedures, the holder of the Mortgage Loan will be able to deliver good and merchantable title to the Mortgaged Property. There is no homestead or other exemption available to the Mortgagor which would interfere with the right to sell the Mortgaged Property at a trustee's sale or the right to foreclose the Mortgage subject to applicable federal and state laws and judicial precedent with respect to bankruptcy and right of redemption;

r) Agency Mortgage Loans. Each Agency Mortgage Loan is in conformity with Agency Guidelines, and the related Mortgage Note and Mortgage are on forms acceptable to the applicable Agency;

s) Acceptable Investment. Seller has no knowledge of any circumstances or conditions with respect to the Mortgage, the Mortgaged Property, the Mortgagor or the Mortgagor's credit standing that can reasonably be expected to cause any potential or actual Subsequent Transferee to regard the Mortgage Loan as an unacceptable investment, cause the Mortgage Loan to become delinquent, or adversely affect the value or marketability of the Mortgage Loan;

t) Delivery of Mortgage Documents. The Mortgage Loan Documents have been delivered to Purchaser or its designee. Seller is in possession of a complete, true and accurate Mortgage File in compliance with Exhibit B, except for such documents the originals of which have been delivered to Purchaser or delivered to the appropriate recording office for recording;

u) Transfer of Mortgage Loans. Each assignment of Mortgage is in recordable form and is acceptable for recording under the laws of the jurisdiction in which the Mortgaged Property is located;

v) Servicing; Escrow Deposits; Interest. The Mortgage Loan has been serviced in accordance with Accepted Practices. With respect to escrow deposits and Escrow Payments, all such payments are in the possession of Seller and there exist no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made. All Escrow Payments have been collected in full compliance with Applicable Laws. An escrow of funds is not prohibited by Applicable Law and has been established in an amount sufficient to pay for every item which remains unpaid and which has been assessed but is not yet due and payable. No escrow deposits or Escrow Payments or other charges or payments due Seller have been capitalized under the Mortgage or the Mortgage Note. All Mortgage interest rate adjustments have been made in compliance with Applicable Law and the terms of the related Mortgage Note;

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w) Service members' Civil Relief Act. The Mortgagor has not notified Seller, and Seller has no knowledge of any relief requested or allowed to the Mortgagor under the Servicemembers' Civil Relief Act of 2003, or any successor legislation thereto, or any other Federal or state law that would have the effect of suspending or reducing the borrower's payment obligation under a Mortgage Loan or that would prevent or restrict the ability of Purchaser to commence or continue with foreclosure of the mortgaged property securing the Mortgage Loan or any other remedy available under the Mortgage Loan Documents;

x) Recordation. Seller is MERS approved, and all Mortgage Loans are and shall be registered with MERS and subject to the MERS identification system and Seller has filed notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to give record notice of the sale of the Mortgage Loan to Purchaser or Purchaser's assigns; and

y) Underwriting Methodology. The Mortgage Loan was underwritten in accordance with all Applicable Laws, this CLPA Supplement, and Seller's underwriting guidelines in effect at the time the Mortgage Loan was originated. The methodology used in underwriting the extension of credit for each Mortgage Loan employed objective mathematical principles which relate the Mortgagor's income, assets and liabilities to the proposed payment and such underwriting methodology did not rely on the extent of the Mortgagor's equity in the collateral as the principal determining factor in approving such credit extension. Such underwriting methodology confirmed that at the time of origination (application/approval) the Mortgagor had a reasonable ability to make timely payments on the Mortgage Loan.

6. Remedies of Purchaser.

a) Breaches. It is understood and agreed that the representations and warranties of Seller set forth in the CLPA and this CLPA Supplement shall survive the sale of the Mortgage Loans (or, as applicable, the assignment of the Second Loans) to Purchaser and the delivery of the Mortgage Loan Documents to Purchaser, and shall inure to the benefit of Purchaser, notwithstanding any restrictive or qualified endorsement on any Mortgage Loan Document or the examination or failure to examine any Mortgage File. With respect to those representations and warranties which are made to Seller's knowledge, if it is discovered by Seller or Purchaser that the substance of such representation and warranty is inaccurate and in Purchaser's sole determination such inaccuracy may or does materially and adversely affect the value of the related Mortgage Loan or the interest of Purchaser, notwithstanding Seller's lack of knowledge with respect to the substance of such representation and warranty, such inaccuracy shall be deemed a Breach. Further, each representation, warranty and covenant herein is in addition to and does not limit or qualify the representations, warranties and covenants of Seller set forth in the Applicable Requirements.

b) Repurchase Events.

i. In addition to the other obligations of Seller and the other remedies available to

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Purchaser under the CLPA, this CLPA Supplement, or at law or equity, Seller shall be required to repurchase a Mortgage Loan at the Repurchase Price within 20 calendar days following notice from Purchaser upon the occurrence of any of the following (each, a "Repurchase Obligation"): (i) any Breach; or (ii) any other event that triggers an obligation of Seller to repurchase a Mortgage Loan hereunder. For the purposes of clarity, Seller's Repurchase Obligation applies to only first Mortgage Loans.

ii. In the event there exists a Repurchase Obligation with respect to any Mortgage Loan, in addition to any other rights and remedies that Purchaser may have, subject to any limitations of applicable Subsequent Transferee or insurer requirements, Purchaser may demand that Seller cure the related Breach or other issue causing the Repurchase Obligation. Seller shall have 30 calendar days (or such shorter period as required by a Subsequent Transferee or otherwise reasonably required by Purchaser) to cure any breach or issue which is susceptible of cure. Even if Seller cures such breach, Seller shall remain liable to Purchaser for any Damages incurred prior to the cure and for the indemnification of any remaining claims.

iii. Any repurchase of a Mortgage Loan hereunder shall be accomplished by direct remittance of the Repurchase Price to Purchaser in immediately available funds or otherwise in accordance with Purchaser's instructions. At the time of repurchase, Purchaser and Seller shall arrange for the reassignment of the repurchased Mortgage Loan to Seller and the delivery to Seller of any documents that were delivered by Seller to Purchaser or held by Purchaser relating to the repurchased Mortgage Loan. In the event of a repurchase, Seller shall, simultaneously with such reassignment, give written notice to Purchaser and any servicer of the Mortgage Loans that such repurchase has taken place.

c) Solicited Mortgage Loans.

i. From and after each Purchase Date, Seller hereby agrees that it will not take any action or permit or cause any action to be taken by any of its Representatives, affiliates, or by any independent contractors on Seller's behalf, to personally, by telephone or mail, solicit the borrower or obligor under any related Mortgage Loan for any purpose whatsoever, including to refinance a Mortgage Loan, in whole or in part, without the prior written consent of Purchaser. It is understood and agreed that all rights and benefits relating to the solicitation of any Mortgagors 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 Purchaser pursuant hereto on the related Purchase Date and Seller shall take no action to undermine these rights and benefits. Notwithstanding the foregoing, it is understood and agreed that promotions undertaken by Seller or any affiliate of Seller which are directed to the general public at large, including mass mailing based on commercially acquired mailing lists, newspaper, radio, internet, email and television advertisements shall not constitute solicitation under this section.

ii. If Seller, any affiliate of Seller, or any of their respective Representatives refinances any Mortgage Loan at any time before the one year anniversary of the related Purchase Date, then Seller shall, within 30 days after the closing date of such refinancing, (1) provide Notice thereof to Purchaser, and (2) remit payment by wire transfer of immediately available funds to Purchaser in an amount equal to (A) 100.00% of the Premium, in the event the closing date of such refinancing occurs within 120 days after the related Purchase Date, (B) 66.66% of the Premium, in the event the Purchase Date of such refinancing occurs between 121 and 240 days after the

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related Purchase Date, or (C) 33.33% of the Purchase Premium, in the event the closing date of such refinancing occurs between 241 and 365 days after the related Purchase Date.

d) Failure of Seller to Timely Deliver Complete Mortgage Loans or Mortgage Loan Documents.

i. If Purchaser receives an incomplete Mortgage File or a defective Mortgage Loan Document with respect to any Mortgage Loan, then Seller shall use best efforts to deliver all missing and corrected Mortgage Loan Documents to Purchaser's satisfaction within 60 days after notice thereof from Purchaser (the "Delivery Period"); provided however, if Seller is unable to deliver any missing or corrected Mortgage Loan Document before the expiration of the Delivery Period solely as a result of a delay by the public recording office (each a "Delayed Document"), then, before the expiration of the Delivery Period, Seller shall deliver to Purchaser a written certification executed by an officer of Seller attesting that such Delayed Document has been accepted for recordation and will be delivered to Purchaser within two Business Days after Seller's receipt thereof, and appending a receipt certified by such recording office confirming that such Delayed Document has been accepted for recordation.

ii. If Seller fails to deliver any missing or corrected Mortgage Loan Document to Purchaser's satisfaction before the expiration of the Delivery Period (or with respect to any Delayed Document, within 30 days following the end of the Delivery Period, then Seller shall (1) repurchase such Mortgage Loan and (2) pay a penalty of $10.00 per day per document for any such document that has not been provided to Purchaser.

e) Indemnification. In addition to the other remedies available to Purchaser hereunder or pursuant to applicable law, and whether or not Purchaser shall have first made a demand for repurchase, Seller shall indemnify and hold harmless Purchaser, its officers, directors, employees, its successors and assigns (each a "Purchaser Indemnitee") from any and all Damages that a Purchaser Indemnitee may sustain or incur in any way related to: (i) any actual or alleged breach by Seller, Interim Servicer, Seller's Representatives or any Third-Party Originator of any representations, warranties or covenants under the CLPA (including any Breaches); (ii) breach by such Purchaser Indemnitee of any covenant, representation, warranty, or other obligation made or incurred in favor of any other Person (including any Subsequent Transferee) in reliance upon any Applicable Requirement that is breached by Seller, Interim Servicer, Seller's Representatives or any Third-Party Originator; (iii) any act or omission on the part of Seller, Interim Servicer, Seller's Representatives or Third-Party Originator, or any other Person, in the origination, receiving, processing, funding or servicing any Mortgage Loan or Second Loan; (iv) any failure of Seller to provide Purchaser all relevant, accurate, and necessary documentation or failure to work with Purchaser to obtain necessary documentation or information to clear a curable repurchase request; (v) the unmarketability of any Mortgage Loan or a repurchase or indemnity demand from any Subsequent Transferee relating to a Mortgage Loan; and (vi) any third party allegation, demand, claim or action relating to any Mortgage Loan or Second Loan based, in whole or in part, upon any circumstances that occurred before the related Transfer Date (each a "Third Party Claim"). With respect to any Third Party Claim, Seller shall immediately notify Purchaser upon becoming aware of such claim, and Purchaser shall have the right to control the defense and negotiations of any such claim, and all of Purchaser's Damages relating to such defense and negotiations

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(including the amounts of any judgments, decrees, and settlement) shall be subject to indemnification hereunder. Seller agrees to reasonably cooperate in the negotiation, defense (or settlement) of any Third-Party Claim and to give Purchaser access to any information relevant thereto.

f) Offset. Purchaser may offset against the Purchase Price for any Mortgage Loan or against any other amounts owed by Purchaser to Seller pursuant to the CLPA or any other contract or instrument between Seller and Purchaser, any outstanding amounts owed to Purchaser by Seller or any affiliate of Seller, including: (i) fees, penalties and expenses arising out of Seller's failure to timely deliver any final documentation; (ii) pair-off fees, penalties or charges relating to delivered or undelivered Mortgage Loans; (iii) costs and expenses arising out of any Breach; and (iv) costs and expenses incurred by Purchaser as a result of action taken by Purchaser based on Purchaser's reasonable belief that Seller is no longer able to fulfill its obligations under the CLPA, including its repurchase and indemnification obligations.

g) Representatives, Interim Servicer and Third-Party Originators. Seller retains responsibility under the CLPA for each the acts or omissions of the Interim Servicer, Seller's Representatives and each Third-Party Originator as if such acts or omissions were performed by Seller, and Seller shall be fully liable to Purchaser for the failure of the Interim Servicer, Seller's Representatives and/or each Third-Party Originator to comply with the terms of the CLPA.

7. Power of Attorney.

With respect to each Mortgage Loan sold by Seller to Purchaser under the CLPA, Seller hereby irrevocably constitutes and appoints Purchaser its true and lawful attorney-in-fact, and in its name, place and stead and for its use and benefit hereby authorizes such attorney-in-fact, through any of its duly appointed officers, from time to time, to execute and/or acknowledge in writing, or by facsimile or electronic means, or otherwise, all documentation reasonably necessary and appropriate to effectuate any further sale, assignment, transfer or delivery of such Mortgage Loan, security instrument, Mortgage Note, Mortgaged Property or any part thereof or any interest therein. Seller hereby ratifies and confirms all actions that such attorney or any substitute shall lawfully take by virtue hereof with respect to any Mortgage Loan. If requested by Purchaser, or any successor or assign of Purchaser, Seller shall ratify and confirm any such action, sale, assignment, transfer or delivery by executing and delivering all such instruments and other documents as may be designated in any such request. Such actions may include any one or more of the following: (a) the substitution of any trustee in any mortgage; (b) the assignment of any Mortgage in the name of Seller to Purchaser, and the recordation of any such Mortgage or assignment; (c) the endorsement of any checks, drafts or other payment instruments made payable to Seller with respect to any such Mortgage Loan; (d) the modification, amendment or correction of any Mortgage Note, Mortgage, or any other Mortgage Loan Document: and (e) the preparation, execution and/or delivery of such other documentation in the name of Seller as Purchaser shall determine to be reasonably necessary and appropriate to carry out the transactions contemplated by the CLPA and/or the subsequent sale of any such Mortgage Loan. Seller gives and grants to such attorney-in-fact full power and authority to do and perform each and all of the foregoing acts,

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as fully as Seller might or could do so on its own behalf, in each case solely with respect to any Mortgage Loan. The power of attorney contained in this section is coupled with an interest, is irrevocable, and shall survive any termination of the CLPA. Upon the request of Purchaser, Seller shall execute and acknowledge such additional powers of attorney as may be reasonably necessary to enable Purchaser, as such attorney-in-fact, to perform any of the actions described in this section.

8. **General Interpretive Principles.**

For purposes of this CLPA Supplement, except as otherwise expressly provided or unless the context otherwise requires:

a) time is of the essence with respect to each and every provision of this CLPA Supplement and each Purchase;

b) the terms defined in this CLPA Supplement have the meanings assigned to them in this CLPA Supplement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

c) a reference to a law means such law as amended, any successor law rule, and any related rules or regulations.

d) the words “herein”, “hereof”, “hereunder” and other words of similar import refer to this CLPA Supplement as a whole and not to any particular provision; and

e) the term “include” or “including” means without limitation by reason of enumeration.

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