



**CORRESPONDENT GUIDE GOVERNING THE  
CORRESPONDENT AGREEMENT FOR PURCHASE AND SALE OF MORTGAGE LOANS**

**A&D MORTGAGE LLC**  
(as Purchaser)

**CORRESPONDENT PARTNER**  
(as Seller)

Servicing Released Mortgage Loans

Version 2025-4

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This is the Correspondent Guide governing loans created by the Correspondent Agreement for Purchase and Sale of Mortgage Loans, by and between **A&D Mortgage LLC** (and its successors and permitted assigns, the “Purchaser”), and you, our Correspondent Partner, as the Seller (and its successor and permitted assigns, the “Seller”).

WITNESSETH:

WHEREAS, the Purchaser desires to purchase, from time to time, from the Seller, and the Seller desires to sell, from time to time, to the Purchaser, certain Mortgage Loans, including the Servicing Rights, on a non-recourse (except as set forth herein), servicing-released basis, and which shall be delivered in the manner and on the terms and conditions set forth herein; and

NOW THEREFORE, in consideration of the promises and the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Purchaser and the Seller acknowledge the following:

## ARTICLE I

### DEFINITIONS

Whenever used herein, the following capitalized words and phrases shall have the following meanings:

Accepted Servicing Practices: With respect to any Mortgage Loan, those procedures (including collection procedures) that are reasonable and customary servicing practices for the same type of loans and which are in accordance with: (1) accepted mortgage servicing practices of prudent servicers for comparable mortgage loans in the jurisdiction where the related Mortgaged Property is located; (2) the terms of the related Note, Mortgage and other documents contained in the Custodial File; and (3) Applicable Law and Regulations including but not limited to the CFPB Mortgage Servicing Rules.

Applicable Laws and Regulations: All: (1) federal, state, and local laws and legal requirements (including statutes, rules, regulations, and ordinances) applicable to a Person, including but not limited to all usury, truth-in-lending, real estate settlement, integrated disclosures, consumer credit, equal credit opportunity, privacy, anti-predatory or abusive lending, or unfair and deceptive acts and practices laws; (2) requirements and guidelines of each governmental agency, board, commission, instrumentality, and other governmental body or office having jurisdiction over a Person and/or a Mortgage Loan, including, but not limited to, the CFPB and all state regulators; and (3) judicial and administrative judgments, orders, stipulations, awards, writs, settlements, and injunctions to which the Person is a party.

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Appraised Value: With respect to any Mortgaged Property, either (i) the value determined by a Qualified Appraiser at the time of origination of such Mortgage Loan or (ii) the purchase price paid for the related Mortgaged Property by the Mortgagor as required by the Purchase Eligibility Guidelines.

Arbitration: Arbitration in accordance with the then governing Commercial Arbitration Rules of the American Arbitration Association.

Arbitrator: A person who is not affiliated with the Seller, the Purchaser or Interim Servicer, and who is a qualified member of the American Arbitration Association.

Assignment, Assumption and Recognition Agreement: With respect to any Mortgage Loan assigned by the Purchaser to an assignee, the agreement that assigns such Mortgage Loan in the form attached hereto as Exhibit F.

Assignment and Conveyance Agreement: With respect to each Mortgage Loan purchase and each Closing Date, an assignment and conveyance of the Mortgage Loan(s), in the form attached hereto as Exhibit B.

Assignment of Mortgage: An assignment of the Mortgage or equivalent instrument, in recordable form, that when properly completed and recorded, is sufficient under the laws of the jurisdiction where the related Mortgaged Property is located to reflect of record the sale of the Mortgage Loan to the Purchaser or its designee.

BPC/LPC: means borrower paid compensation or lender paid compensation, respectively.

Business Day: Any day other than (i) a Saturday or a Sunday, or (ii) a Federal legal holiday.

Business Purpose Loan: A Mortgage Loan where the proceeds of such loan are primarily used for a non-consumer, business purpose as provided for in Section 1026.3 of Regulation Z of the Truth in Lending Act.

CFPB: The Consumer Financial Protection Bureau or any successor thereto.

Closing Date: The date or dates, set forth in each Assignment and Conveyance Agreement or as mutually agreed to by the Seller and the Purchaser, on which the Purchaser purchases from the Seller, the Mortgage Loan(s) listed on each related Mortgage Loan Schedule.

Closing Documents: With respect to sale and assignment of any Mortgage Loans, the documents required pursuant to Section 5.01.

Commitment Letter: The document attached hereto as Exhibit E, as applicable.

Correspondent Guide: This Document and all amendments hereof and supplements hereto, including without limitation, any commitment letter, as applicable, and each Assignment and Conveyance Agreement executed in accordance with this Correspondent Guide.

Custodial File: The documents listed on Exhibit C hereto pertaining to any Mortgage Loan.

Cutoff Date: With respect to each Mortgage Loan, the first day of the month of the related Closing Date as set forth in the Assignment and Conveyance, as applicable.

Due Date: The day of the month on which each Monthly Payment is due on a Mortgage Loan, exclusive of any days of grace.

Escrow Payments: The amounts constituting ground rents, taxes, assessments, water rates, sewer rents, municipal charges, mortgage insurance premiums, fire and hazard insurance premiums and any other payments required to be escrowed by the Mortgagor with the Mortgagee pursuant to the terms of any Mortgage Loan and/or as required by the Applicable Law and Regulations

FDPA: The Flood Disaster Protection Act of 1973, as amended.

FIRREA: The Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended and in effect from time to time.

Interim Servicer: The Correspondent Lender that is responsible for servicing during the Interim Servicing Period according the duties of Article VI.

Interim Servicing Period: For each Mortgage Loan, a period commencing with the related Closing Date and expiring on the related Servicing Transfer Date.

Loan Level Criteria: The data elements listed on Exhibit D and provided to Purchaser in each Mortgage Loan Schedule with respect to any Mortgage Loan.

MERS: Mortgage Electronic Registration Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor thereto.

MERS Loan: Any Mortgage Loan as to which the related Mortgage, or an Assignment of Mortgage, has been or will be recorded and registered in the name of MERS, as nominee for the holder from time to time of the Mortgage Note, with MERS on the MERS® System.

MERS® System: The electronic system of recording transfers of mortgages maintained by the Mortgage Electronic Registration Systems, Inc. or any successor or assigns thereof.

MIN: The Mortgage Identification Number for any MERS Loan.

MOM Loan: With respect to any Mortgage Loan, MERS acting as the Mortgagee of such Mortgage Loan, solely as nominee for the originator of such Mortgage Loan and its successors and assigns, at the time of the origination thereof.

Monthly Payment: With respect to any Mortgage Loan, the scheduled payment due from the related Mortgage pursuant to the terms of the related Mortgage Note on each Due Date.

Mortgage: The mortgage, deed of trust or other security instrument as applicable, creating an enforceable first or second lien on, or first or second priority ownership interest, as intended, in a Mortgaged Property securing a Mortgage Note, including any rider incorporated by reference therein.

Mortgage Interest Rate: With respect to each Mortgage Loan, the annual rate of interest, either fixed or adjustable, as set forth in the terms of the related Mortgage Note.

Mortgage Loan: An individual mortgage loan as evidenced by a Mortgage Note which is secured by a Mortgage on the related Mortgaged Property and which is sold by the Seller to the Purchaser and subject to this Correspondent Guide. The term Mortgage Loan includes, without limitation, the contents of the related Origination and Servicing File, the Monthly Payments, Principal Prepayments, the Servicing Rights and all other rights, benefits, proceeds and obligations arising from or in connection with any related Mortgage Loan.

Mortgage Loan Schedule: The schedule of Mortgage Loan(s) and their Loan Level Criteria attached as Annex 1 to the applicable Assignment and Conveyance Agreement to be delivered on each related Closing Date.

Mortgage Note: The note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage and any riders thereto.

Mortgaged Property: The real property securing repayment of the debt evidenced by a Mortgage Note, consisting of an estate in fee simple on a single parcel of property considered to be real estate under the law of the state in which it is located and improved by a residential dwelling.

Mortgagee: The mortgagee or beneficiary named in the Mortgage and the successors and assigns of such mortgagee or beneficiary.

Mortgagor: The obligor on a Mortgage Note.

Original Principal Balance: The principal balance of the Mortgage Loan as of the Origination Date.

Origination and Servicing File: In connection with a particular Mortgage Loan, all documents required under Applicable Law and Regulations, the A&D Correspondent Guide and the Purchase Eligibility Guidelines in the origination, underwriting, fulfillment, funding, recording and servicing of such Mortgage Loan, including but not limited to the documents specified in Exhibit A hereto and any additional documents that are customarily added or required to be added to the Origination and Servicing File pursuant to this Correspondent Guide, including but not limited to all documents that are prepared in conjunction with the servicing of the Mortgage Loan.

Origination Date: The date of the Seller's funding and closing of a Mortgage Loan.

Person: Any individual, limited liability company, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Premium: With respect to any Mortgage Loan that was purchased at a price above par, the amount equal to the Purchase Price minus the Stated Principal Balance.

Principal Prepayment: Any payment or other recovery of principal on a Mortgage Loan which is received in advance of its scheduled Due Date and is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment.

Purchase Eligibility Guidelines: As to each Mortgage Loan, the Purchaser's written Loan Purchase Eligibility Guidelines in effect as of the Origination Date of such Mortgage Loans, if applicable.

Purchase Price: With respect to each Mortgage Loan, the purchase price paid on the Closing Date and as set forth in each Assignment and Conveyance which is the sum of: (i) the Stated Principal Balance of each such Mortgage Loan, multiplied by (ii) the Purchase Price Percentage, plus interest, as set forth in Section 3.02(a).

Purchase Price Percentage: For each Mortgage Loan included on the Mortgage Loan Schedule, the percentage of par set forth in each related Assignment and Conveyance that is used to calculate the Purchase Price of the related Mortgage Loans.

Qualified Appraiser: With respect to each Mortgage Loan, an appraiser, duly appointed by the originator, who had no interest, direct or indirect in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the Mortgage Loan, and such appraiser and the appraisal made by such appraiser both satisfy the requirements of Fannie Mae and Title XI of FIRREA and the regulations promulgated thereunder, and all other Applicable Laws and Regulations, all as in effect on the date the Mortgage Loan was originated.

Qualifications: The criteria that a Mortgage Loan must meet as of the applicable Closing Date: (a) all Loan Level Criteria data fields provided as required by Exhibit D are true, accurate and complete; and (b) all of the representations and warranties contained in Sections 4.01 and 4.02 of this Correspondent Guide are true and accurate.

Rating Agency: A credit rating agency that assesses the creditworthiness of an obligor as an entity or with respect to specific securities or money market instruments including but not limited to Fitch Ratings, Moody's Investors Service, Standard & Poor's, Kroll Bond Rating Agency and A. M. Best Company.

Refinanced Mortgage Loan: A Mortgage Loan, the proceeds of which were not used to purchase the related Mortgaged Property.

Repurchase Price: With respect to any Mortgage Loan to be repurchased, (i) a price equal to the product of the unpaid principal balance multiplied by the Purchase Price Percentage, *plus* (ii) interest on such unpaid principal balance at the Mortgage Interest Rate from the last date through which interest has been paid by or on behalf of the Mortgagor to the date of such repurchase occurs, *plus* (iii) the amount of any outstanding Servicing Advances owed to any Successor Servicer, *plus* (iv) all costs and expenses incurred by the Purchaser or any Successor Servicer based upon a breach of a representation or warranty, including without limitation, costs and expenses, including reasonable legal fees, incurred in the enforcement of the Seller's repurchase obligation hereunder.

Securitization Transaction: Any transaction involving an issuance of publicly offered or privately placed, rated or unrated mortgage-backed securities, or related instrument, the payments on which are determined primarily by reference to one or more portfolios of residential mortgage loans consisting, in whole or in part, of some or all of the purchased Mortgage Loans. Such transaction may or may not also involve a sale or transfer of the purchased Mortgage Loans to the issuing entity.

Servicing Advances: All customary, reasonable and necessary out-of-pocket costs and expenses incurred in the performance by a servicer of its servicing obligations, including, but not limited to, the cost of (a) the inspection, preservation, restoration and protection of the Mortgaged

Property, (b) any enforcement or judicial proceedings with respect to a Mortgage Loan, including foreclosures and (c) the management and liquidation of the Mortgaged Property if the Mortgaged Property is acquired in satisfaction of the Mortgage.

Servicing Rights: Any and all of the following, as related to the servicing of the Mortgage Loans: (a) any and all rights to perform servicing activities; (b) any late fees, penalties or similar payments; (c) all agreements or documents creating, defining or evidencing any such servicing rights; (d) Escrow Payments, escrow amounts collected all accounts and other rights to payment, payments or monies received; and (e) any and all documents, files, records, servicing files, servicing documents, servicing records, data tapes, computer records, or other information pertaining to the past, present or prospective servicing of the Mortgage Loans.

Servicing Transfer Date: For each Mortgage Loan, the date set forth in the related Assignment and Conveyance Agreement for transfer of the servicing from the Seller to the Purchaser or its designee's servicer, any earlier date on which such servicing transfer actually occurs, or such other transfer date as provided in writing by the Purchaser.

Stated Principal Balance: As to each Mortgage Loan and for any date of determination as set forth in the Assignment and Conveyance Agreement, (i) the principal balance of the Mortgage Loan as of the first day of the month for which such calculation is being made after giving effect to the principal portion of any Monthly Payments due on or before such date, whether or not received, as well as any Principal Prepayments received before such date, minus, without duplication, (ii) all amounts previously distributed to the Purchaser with respect to the Mortgage Loan representing payments or recoveries of principal, or advances in lieu thereof.

Successor Servicer: Specialized Loan Servicing LLC or any other licensed servicer designated by Purchaser.

Whole Loan Transfer: Any sale or transfer by the Purchaser of some or all of the Mortgage Loans.

**ARTICLE II****AGREEMENT TO PURCHASE**

The Seller shall from time to time offer to sell to the Purchaser mortgage loans that meet the Qualifications set forth in this Correspondent Guide. Such offer shall be made in writing by the Seller to allow the Purchaser the opportunity to purchase each such mortgage loan following its respective Origination Date. The Seller shall include in each offer any anticipated Origination Date. The Purchaser may choose, in its sole discretion, to purchase any mortgage loans that meet the Qualifications. If a mortgage loan does not meet the Qualifications, the Purchaser may choose to accept such mortgage loan if the Seller has provided any exceptions to the required criteria in writing to the Purchaser, and the Purchaser, in its sole discretion, accepts such exceptions in writing prior to the Closing Date.

**ARTICLE III****FILE DELIVERY AND DUE DILIGENCE REVIEWS; CONSUMMATION OF SALE;  
FUTURE TRANSFERS****Section 3.01 Seller's Delivery and Purchaser's Examination of Origination and Servicing Files and Custodial Files.**

**(a) *Seller's Delivery and Purchaser's Review of Custodial Files and Origination and Servicing Files.*** To facilitate the Purchaser's pre-purchase review of the Mortgage Loans, the Seller shall, at the direction of the Purchaser, at a reasonable time prior to the applicable Closing Date and pursuant to a mutually agreeable bailee arrangement, as necessary, deliver to the Purchaser's document custodian as bailee the related Custodial File for each Mortgage Loan. The Seller is responsible for all costs associated with the shipment of the related Custodial Files to the Purchaser's custodian. The Seller and the Purchaser shall pay all fees and expenses of the Purchaser's custodian, as incurred by each party. The Seller shall also deliver the related Origination and Servicing Files to the Purchaser in an electronic format that is acceptable to the Purchaser within this timeframe.

Subject to Section 4.03(b), the fact that the Purchaser has conducted or has failed to conduct any partial or complete examination of any Custodial File or Origination and Servicing File shall not affect the Purchaser's (or any of its successor's) rights to demand repurchase, or other relief or remedy to the extent provided under this Correspondent Guide.

**(b) *Recording Delays and Repurchase Remedy.*** If the Seller cannot deliver the original recorded Mortgage or other Custodial File document on the related Closing Date, the Seller shall, promptly upon receipt thereof and in any case not later than 120 days from the related Closing Date, deliver such original recorded documents to the Purchaser or its designee (unless the Seller is delayed in making such delivery by reason of the fact that such documents shall not have been returned by the appropriate recording office, and provided that the Seller delivers a recording receipt of such recording office or, if such recording receipt is not available, an Officers' Certificate of an officer the Seller confirming that such documents have been accepted by the recorder's office for recording). The Seller shall use its best efforts to effect delivery of all delayed recorded documents within 180 days of the related Closing Date. If delivery is not completed within 180 days of the related Closing Date, the Seller shall, at the Purchaser's option, within ten (10) Business Days from the date such repurchase is requested by the Purchaser, repurchase the related Mortgage Loan(s) at the Repurchase Price.

**Section 3.02 Consummation of Sale.**

**(a) *Delivery of the Assignment and Conveyance, Mortgage Loan Schedule and Purchase***

**Price.** With regard to each Mortgage Loan, the Seller shall deliver a Mortgage Loan Schedule to the Purchaser at least two (2) Business Days prior to each applicable Closing Date. Simultaneously with the delivery of the Mortgage Loan Schedule, the Seller shall execute and deliver to the Purchaser an Assignment and Conveyance Agreement. The Purchaser shall pay the Purchase Price to the Seller in consideration for assignment of each Mortgage Loan(s) to be purchased as identified in the respective Assignment and Conveyance Agreement. As specified in the Assignment and Conveyance Agreement, the Purchase Price shall be equal to the sum of (a) the product of (i) the Purchase Price Percentage stated in the related Assignment and Conveyance Agreement (subject to adjustments, if any, as provided therein) and (ii) the Stated Principal Balance of the Mortgage Loan(s) listed on the related Mortgage Loan Schedule, plus (b) an amount equal to accrued interest on the (aggregate) Stated Principal Balance of the Mortgage Loan(s) at the weighted average Mortgage Interest Rate of such Mortgage Loans from the related Cut-off Date through the day prior to the related Closing Date, both inclusive (assuming 30/360). If so provided in the related Assignment and Conveyance Agreement, some of the Mortgage Loans shall be priced separately.

**(b) Transfer of Ownership of Mortgage Loans.** Contemporaneously with the payment of the Purchase Price by the Purchaser, ownership and title to each Mortgage Loan as of the related Closing Date shall vest in the name of the Purchaser. All rights arising out of the Mortgage Loans, inclusive of the Servicing Rights, and including, but not limited to all funds received by the Seller as related to a Mortgage Loan after the Cutoff Date as set forth on the Assignment and Conveyance Agreement, shall be vested in the Purchaser and shall be held by the Seller in trust for the benefit of the Purchaser as the owner of the Mortgage Loans.

**(c) Sale Treatment.** It is the express intention of the parties that the transactions contemplated by this Correspondent Guide and Correspondent Agreement be, and be construed as, a sale of the Mortgage Loans by the Seller and not a pledge of the Mortgage Loans by the Seller to the Purchaser to secure a debt or other obligation of the Seller. Consequently, the sale of each Mortgage Loan shall be reflected on the Seller's balance sheet, business records, tax returns and other financial statements as a sale of assets by the Seller.

### **Section 3.03 Future Assignments of the Correspondent Agreement.**

**(a) Assignment of Correspondent Agreement.** The Purchaser shall have the right, without the consent of the Seller, to assign its interest under the Correspondent Agreement, in whole or in part, with respect to all or some of the Mortgage Loans and designate any Person to exercise any rights of the Purchaser hereunder. Any such assignee or designee shall accede to the rights and obligations hereunder of the Purchaser with respect to such Mortgage Loans. All references to the Purchaser shall be deemed to include its assignee or designee.

### **Section 3.04 Whole Loan Transfers or Securitization Transactions.**

The Seller and the Purchaser agree that with respect to some or all of the Mortgage Loans, upon written notice to the Seller, the Purchaser may affect either one or more Whole Loan Transfers, and/or one or more Securitization Transactions.

**(a) Whole Loan Transfers.** With respect to each Whole Loan Transfer entered into by the Purchaser, the Seller agrees:

- (i)** to cooperate with the Purchaser and any prospective purchaser with respect to all reasonable requests, including but not limited to assistance and information reasonably requested by the Purchaser to enable the Purchaser's compliance with any law, rule or regulation affecting sales or transfers of the Mortgage Loans;
- (ii)** to execute and be bound by, at the Purchaser's discretion, an Assignment, Assumption and Recognition Agreement, assigning all of the rights, benefits, duties and obligations of the Purchaser under this Correspondent Agreement to a successor purchaser of some or all of the Mortgage Loans; and

**(b) Securitization Transactions.** The Purchaser and the Seller agree that in connection with the completion of a Securitization Transaction:

- (i)** the Seller shall execute and be bound by an Assignment, Assumption and Recognition Agreement that, among other things, restates the representations and warranties set forth in Section 4.01 hereto with respect to the Mortgage Loans as of the related Closing Date (or such other date as specified therein) and the representations and warranties set forth in Section 4.02 hereto with respect to the Seller as of the closing date with respect to such Securitization Transaction;
- (ii)** the Seller shall cooperate with the Purchaser, and provide any reasonably requested documentation reasonably available to the Seller, and information required to comply with the laws, rules and regulations applicable to any Rating Agency issuing ratings with respect to any Securitization Transactions;

All of the Mortgage Loans, including those Mortgage Loans that are subject to a Securitization Transaction or a Whole Loan Transfer, shall continue to be subject to this Correspondent Guide, and with respect thereto, this Correspondent Guide shall remain in full force and effect. In no event shall a Whole Loan Transfer or a Securitization Transaction be deemed to relieve the Seller of its obligations as set forth in this Purchase Agreement nor to increase the Seller's liabilities, duties, obligations, or responsibilities as set forth in this Correspondent Guide, and the Purchaser shall have the ongoing right to enforce the duties and obligations of the Seller herein.

**ARTICLE IV****REPRESENTATIONS AND WARRANTIES;**  
**REMEDIES FOR BREACH****Section 4.01 Representations and Warranties Regarding Individual Mortgage Loans.**

The Seller hereby represents and warrants to the Purchaser that, as to each Mortgage Loan, as of the applicable Closing Date (or such other date as may be specified herein):

**(a) UNDERWRITING REPRESENTATIONS**

**(i) Underwriting.** Except for underwriting exceptions agreed to in writing by the Purchaser, each Mortgage Loan was underwritten in conformance with the Purchase Eligibility Guidelines in effect at the time of origination of the Mortgage Loan without regard to any underwriter discretion. The methodology used in underwriting the extension of credit for the Mortgage Loan includes objective mathematical principles that relate to the relationship between the Mortgagor's income, assets and liabilities and the proposed payment. Except for certain Business Purpose Loans as permitted by the Purchase Eligibility Guidelines, such underwriting methodology does not rely on the extent of the Mortgagor's equity in the collateral as the principal determining factor in approving such credit extension. *This representation and warranty may be subject to repurchase limitations as set forth at Section 4.03(b) herein.*

**(ii) Credit Score.** The credit score for the Mortgage Loan is accurate and satisfies the applicable requirements of the Purchase Eligibility Guidelines. There is only one (1) score for any Mortgage Loan regardless of the number of borrowers and/or applicants. *This representation and warranty may be subject to repurchase limitations as set forth at Section 4.03(b) herein.*

**(iii) Income/Employment/Assets.** With respect to each Mortgage Loan the originator verified the Mortgagor's employment in accordance with the Purchase Eligibility Guidelines and employed procedures designed to authenticate the documentation supporting the income, employment, and assets. For certain Business Purpose Loans, as permitted by the Purchase Eligibility Guidelines, income and/or employment verification may not be necessary. *This representation and warranty may be subject to repurchase limitations as set forth at Section 4.03(b) herein.*

**(iv) Occupancy.** (a) For all Mortgage Loans other than Business Purpose Loans, Seller has not received any information that conflicts with the Mortgagor's stated intention

to occupy the Mortgaged Property. (b) For all Business Purpose Loans, Seller has not received any information that conflicts with the Mortgagor's stated intention to not occupy the Mortgaged Property.

**(v) *No Buydown; No Graduated Payments or Contingent Interests; No Advances.***

The Mortgage Loan does not contain provisions pursuant to which Monthly Payments are paid or partially paid with funds deposited in any separate account established by the Seller, the Mortgagor, or anyone on behalf of the Mortgagor, or paid by any source other than the Mortgagor, nor does it contain any other similar provisions that may constitute a "buydown" provision. The Mortgage Loan is not a graduated payment mortgage loan and the Mortgage Loan does not have a shared appreciation or other contingent interest feature. Neither the Seller nor any other party has advanced funds or induced, solicited or knowingly received any advance of funds from a party other than the owner of the Mortgaged Property subject to the Mortgage or a third party with respect to amounts to be taken from the escrow accounts and any shortfall thereof which may be remitted by the Seller, directly or indirectly, for the payment of any amount required by the Mortgage Note or Mortgage, except for interest accruing from the date of the Mortgage Note or date of disbursement of the Mortgage proceeds, whichever is greater, to the day which precedes by one month the Due Date of the first installment of principal and interest.

**(vi) *Payment Terms.*** Principal payments on the Mortgage Loan commenced no more than sixty (60) days after the proceeds of the Mortgage Loan were disbursed. The Mortgage Note is payable on the first day of each month in monthly installments, with interest in arrears, providing for full amortization by maturity over a scheduled term of not more than thirty (30) years. No Mortgage Loan is or has a "pay option ARM," "pick-a-payment", negative amortization or similar type of mortgage loan or a home equity revolving line of credit. Interest charged on each Mortgage Loan is as stated in the Mortgage Note and calculated on the basis of a 360-day year consisting of twelve 30-day months.

**(vii) *Mortgagor.*** With respect to each Mortgage Loan, either (a) each Mortgagor is a natural person legally entitled to reside in the United States, or in the case of foreign nationals, legally entitled to enter the United States and own property; or (b) if such Mortgagor was not a natural person, then such Mortgage Loan has been personally guaranteed by a natural person legally entitled to reside in the United States or a foreign national legally entitled to enter the United States and own property.

**(viii) *Foreclosure, Loss Mitigation and Bankruptcies.*** The Seller has disclosed any (i) pending, dismissed or discharged bankruptcy proceeding of the Mortgagor in the seven years prior to the origination of the Mortgage Loan, and (ii) any properties

previously owned by a Mortgagor with respect to which a foreclosure sale was pending or completed in the seven years prior to the origination of the Mortgage Loan. The Mortgagor is not currently a debtor in any state or federal bankruptcy or insolvency proceeding. The Mortgaged Property is not subject to any bankruptcy or insolvency proceeding nor has it been subject to any such proceeding in the past, unless disclosed by the Seller to the Purchaser. No Mortgagor or Mortgaged Property is subject to any pending loss mitigation agreement, including but not limited to any deed-in-lieu of foreclosure or repayment plan.

**(ix) Accuracy of Data and Information.** Any information provided by the Seller to the Purchaser with respect to each Mortgage Loan, including but not limited to the information set forth in the related Mortgage Loan Schedule and any diskette or other related data tapes sent to the Purchaser and the information contained in the Origination and Servicing File, is complete, true and correct in all material respects.

**(b) PROPERTY REPRESENTATIONS**

**(i) Property Type.** Each Mortgaged Property is located in the United States or a United States territory and consists of a one- to four-unit residential property, which may include a detached home, townhouse, condominium unit or a unit in a planned unit development, and each condominium unit meets the warrantable condominium standards set forth by Fannie Mae and Freddie Mac unless otherwise permitted by the Purchase Eligibility Guidelines. No Mortgaged Property consists of a cooperative housing corporation, or a mobile or manufactured home. For all Mortgage Loans other than Business Purpose Loans, no portion of the Mortgaged Property is used for commercial purposes (other than the use of a portion of such Mortgaged Property or residence as a home office). No Mortgaged Property is subject to a ground lease or is secured by a leasehold interest unless it is otherwise disclosed.

**(ii) Taxes and Assessments Paid.** All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payment or ground rents which previously became due and owing have been paid by the Mortgagor, or an escrow of funds from the Mortgagor 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.

**(iii) No Damage/Condemnation.** There is no proceeding pending or threatened for the total or partial condemnation of the Mortgaged Property, and such property is in good repair and is undamaged by any casualty, so as to affect materially and adversely the value of the Mortgaged Property as security for the Mortgage Loan

or the use for which the premises were intended or would render the Mortgaged Property uninhabitable. Each Mortgaged Property is in substantially the same condition it was at the time the most recent Appraised Value was obtained.

- (iv) ***No Construction / Rehabilitation.*** No Mortgage Loan was in construction or rehabilitation status and no trade-in or exchange of a Mortgaged Property has been facilitated. All inspections, licenses and certificates required to be made or issued with respect to the Mortgaged Property regarding its use and occupancy, including, but not limited to, certificates of occupancy and fire underwriting, have been made or obtained from the appropriate authorities.
- (v) ***Environmental Laws.*** There does not exist on the related Mortgaged Property any hazardous substances, hazardous wastes or solid wastes, as such terms are defined in the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act of 1976, or other federal, state or local environmental legislation including, without limitation, asbestos. There is no pending action or proceeding directly involving the Mortgaged Property in which compliance with any environmental law, rule or regulation is an issue; there is no violation of any environmental law, rule or regulation with respect to the Mortgaged Property.
- (vi) ***No Encroachments / Compliance with Zoning.*** All buildings and improvements which were included for the purpose of determining the Appraised Value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of the Mortgaged Property and no buildings or improvements on adjoining properties encroach upon the Mortgaged Property other than minor encroachments which do not affect the value of the Mortgage Loan or the Purchaser's interest therein and are not in violation of any applicable zoning law or restrictive covenant. No violations exist with regard to applicable occupancy law, ordinance, regulation, standard, license or certificate. A valid certificate of occupancy exists for all Mortgage Loans.
- (vii) ***Hazard Insurance.*** All buildings and 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. All individual insurance policies (collectively, the "hazard insurance policy") are the valid and binding obligation of the insurer, are in full force and effect, and contain a standard mortgagee clause insuring the Seller, its successors and assigns, as Mortgagee. All premiums thereon have been paid and such policies may not be reduced, terminated or cancelled without thirty (30) days'

prior written notice to the Mortgagee. The Mortgage obligates the Mortgagor thereunder to maintain all such insurance at the Mortgagor's cost and expense, and upon the Mortgagor's failure to do so, authorizes the holder of the Mortgage to obtain and maintain such insurance at the Mortgagor's cost and expense and to seek reimbursement therefor from the Mortgagor. If required by the FDPA, the Mortgage Loan is covered by a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration and conforming to Fannie Mae and Freddie Mac requirements, in an amount not less than the amount required by the FDPA. Such policy was issued by an insurer acceptable under the Fannie Mae Guides or the Freddie Mac Guides and is consistent with all requirements under the Purchase Eligibility Guidelines. Where required by state or federal 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 a condominium, or any hazard insurance policy covering the common facilities of a planned unit development.

(c) ***OWNERSHIP, ENFORCEABILITY AND LIEN REPRESENTATIONS***

(i) ***Unencumbered Loan.*** The Seller is the sole legal, beneficial and equitable owner and holder of the Mortgage Loan and the indebtedness evidenced by the Mortgage Note, and upon sale the Purchaser or its designee will be the owner of the Mortgage and the indebtedness evidenced by the Mortgage Note, free and clear of any encumbrance, equity, lien, pledge, charge, claim (including, but not limited to, any preference or fraudulent transfer claim) or security interest.

(ii) ***Enforceability and Priority of Lien on Real Estate.*** The related Mortgage is a valid, subsisting, enforceable and perfected first or second lien, as disclosed by the Seller, on an estate in fee simple on real property with regard to the Mortgaged Property, including all buildings and related fixtures and additions thereon, which secure the Mortgage Note's Original Principal Balance and any additional amounts as may be provided by the terms of the Mortgage Loan Documents. Such lien is free and clear of all adverse claims, liens and encumbrances having priority over the first lien of the Mortgage except for: (1) the lien of non-delinquent real estate taxes and assessments not yet due and payable; (2) other matters of public record which are specifically referred to in the lender's title policy and do not adversely affect the Appraised Value of the Mortgaged Property; and (3) other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security intended to be provided by the Mortgage or the use, enjoyment, value or marketability of the related Mortgaged Property. The Mortgaged Property was not, as of the date of the origination of the Mortgage Loan, subject to a mortgage, deed-

of-trust, deed to secure debt or other security instrument creating a lien subordinate to the lien of the Mortgage.

**(iii) Enforceable Right of Foreclosure.** Each 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 and there is no homestead or other exemption available to the Mortgagor that would interfere with such right of foreclosure. In the event the Mortgage is a deed of trust, a trustee, authorized and duly qualified under applicable law to serve as such, has been properly designated, is named in the Mortgage and currently so serves, and no fees or expenses are or will become payable by the Purchaser to the trustee under the deed of trust, except in connection with a trustee's sale after default by the Mortgagor.

**(iv) Mortgage Loan Legal and Binding; Valid Execution.** The Mortgage Note, the related Mortgage and any assignments of the Mortgage are genuine, and each is the legal, valid and binding obligation of the maker thereof, fully enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights and by general principles of equity. All parties to the Mortgage Note, the Mortgage and any intervening assignments had legal capacity to execute such documents. No Mortgage Loan is subject to any right of rescission, set-off, counterclaim or defense, including, without limitation, the defense of usury, nor will the operation of any of the terms of the Mortgage Note or the Mortgage, or the exercise of any right thereunder, render either the Mortgage Note or the Mortgage unenforceable, in whole or in part, or subject to any such claim or defense.

**(v) Due-On-Sale.** The Mortgage contains an enforceable provision, to the extent not prohibited by applicable law as of the date of such Mortgage, for the acceleration of the payment of the unpaid principal balance of the Mortgage Loan in the event that the Mortgaged Property is sold or transferred without the prior written consent of the mortgagee.

**(vi) Existence of Title Insurance.** The Mortgage is covered by an American Land Title Association mortgage title insurance policy, or such other generally acceptable form of policy or insurance acceptable to Fannie Mae and each such title insurance policy is issued by a title insurer acceptable to Fannie Mae and qualified to do business in the jurisdiction where the Mortgaged Property is located. The policy insures the Seller, its successors and assigns, as to the first or second priority of the lien (as applicable) of the Mortgage in the original principal amount of the Mortgage

Loan and against any loss by reason of the invalidity or unenforceability of the lien resulting from the provisions of the Mortgage. Additionally, such title insurance policy affirmatively insures ingress and egress, and against encroachments by or upon the Mortgaged Property or any interest therein. The title policy does not contain any special exceptions (other than the standard exclusions) for zoning and uses and has been marked to delete the standard survey exception or to replace the standard survey exception with a specific survey reading. Such mortgagee title insurance policy insures the Seller, its successors and assigns as Mortgagee and the assignment to the Purchaser of the Seller's interest in such mortgagee title insurance policy does not require the consent of or notification to the insurer. Such title insurance policy is in full force and effect and will be in full force and effect and inure to the benefit of the Purchaser upon the consummation of the transactions contemplated by this Correspondent Guide.

(vii) ***Insurance Coverage Not Impaired.*** With respect to any insurance policy including, but not limited to, hazard, title, or mortgage insurance, covering a Mortgage Loan and the related Mortgaged Property, no act or omission has occurred which would impair the coverage of any such policy, the benefits of the endorsement, or the validity and binding effect of either, including without limitation, no unlawful fee, commission, kickback or other unlawful compensation or value of any kind has been or will be received, retained or realized by any attorney, firm or other person or entity, and no such unlawful items have been received, retained or realized by the originator.

(d) ***CLOSING AND POST ORIGINATION REPRESENTATIONS***

(i) ***Source of Loan Payments.*** No Monthly Payment nor any other payment related to the Mortgage Loan has been escrowed as part of the loan proceeds on behalf of the Mortgagor. No payments due and payable under the terms of the Mortgage Loan, except for seller or builder concessions, have been paid by any other person who was involved in, or benefited from, the sale or purchase of the Mortgaged Property or the origination, refinancing, sale, or purchase of the Mortgage Loan, other than the Mortgagor.

(ii) ***Proceeds Fully Disbursed / Recording Fees Paid.*** The Mortgage Loan has been closed and the proceeds of the Mortgage Loan have been fully disbursed in accordance with the applicable closing disclosures and Applicable Laws and Regulations, there is no requirement for future advances thereunder and any and all requirements as to completion of any on-site or off-site improvements and as to disbursements of any escrow funds therefor have been complied with. All costs, fees and expenses incurred in making or closing Mortgage Loans and the recording

of the Mortgage were paid, and the Mortgagor is not entitled to any refund of any amounts paid or due. With respect to any mortgage Seller fees collected and paid on any of the Mortgage Loans, all such fees have been properly assessed to the Mortgagor and no claims will arise as to such fees that are double charged and for which the Mortgagor would be entitled to reimbursement

**(iii) Defaults or Acceleration.** There is no default, breach, violation or event of acceleration existing under the Mortgage or the related 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 the Seller nor any prior Mortgagee has waived any default, breach, violation or event permitting acceleration. The 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. . No foreclosure action is currently threatened or pending with regard to the Mortgaged Property.

**(iv) Loans Current / Prior Delinquencies.** No payment required under any Mortgage Loan has been more than thirty (30) days delinquent. All payments due on a Mortgage Loan on or prior to the related Closing Date have been made as of such Closing Date and no payment made on such Mortgage Loan has been dishonored.

**(v) Escrow Funds.** With respect to escrow deposits and Escrow Payments, all such payments are in the possession of, or under the control of, the 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 accordance with Applicable Laws and Regulations and the provisions of the related Mortgage Note and Mortgage. An escrow of funds has been established in an amount sufficient to pay for every item that remains unpaid and has been assessed but is not yet due and payable. No escrow deposits or Escrow Payments or other charges or payments due the Seller have been capitalized under the Mortgage or the Mortgage Note.

**(vi) Flood Certifications.** Unless otherwise agreed upon by the Seller and the Purchaser, each Mortgage Loan is covered by a transferable real estate tax service and a life of loan, transferable flood certification contract assignable to the Purchaser.

**(vii) MERS Mortgage Loan.** With respect to each MERS Mortgage Loan, a MIN has been assigned by MERS and such MIN is accurately provided on the Mortgage Loan Schedule. If applicable, the related Assignment of Mortgage to MERS has been, or is in the process of being, duly and properly recorded. With respect to each

MERS Mortgage Loan, the Seller has not received any notice of liens or legal actions with respect to such Mortgage Loan and no such notices have been electronically posted by MERS.

- (viii) Prior Modifications.** No Mortgage Loan has been modified unless the modified terms have been disclosed by the Seller to the Purchaser in writing and an enforceable, duly executed modification agreement has been provided to the Purchaser. None of the Mortgage Loans have been satisfied, canceled or subordinated in whole or in part. With respect to each Mortgage Loan, the Mortgaged Property has not been released in whole or in part from the lien of the Mortgage unless otherwise indicated on the Mortgage Loan Schedule.
- (ix) Mortgage Recording; Assignments of Mortgage.** The related original Mortgage has been recorded or is in the process of being recorded. If the Mortgage Loan is not a MERS Loans, the Assignment of Mortgage and any intervening assignments, if any, showing a complete chain of title from the name of the originator to the name of the Seller are in recordable form and are acceptable for recording under the laws of the jurisdiction in which the Mortgaged Property is located. If the Mortgage Loan is a MERS Loan, MERS properly reflects the complete chain of title from the originator to the Purchaser. To the extent any Mortgage Loan has not been assigned to MERS as of the Closing Date, the Seller will provide a properly recorded Assignment of Mortgage for the benefit of the Purchaser.
- (x) Origination and Servicing File and Custodial File Delivery; Form and Condition of Documents.** Each Origination and Servicing File and Custodial File contains all of the documents and instruments specified to be included therein which are duly executed and in proper form, and each such document or instrument is in form acceptable to the applicable federal or state regulatory agency. All documents, data and information in the possession of the Seller and relevant to the underwriting of the Mortgage Loan have been provided to the Purchaser. The Mortgage Note and Mortgage were written on forms acceptable to Fannie Mae or Freddie Mac. Each imaged document is clear and legible, including, but not limited to, accurate reproductions of photographs. No original document provided by the Seller to the Purchaser has been or will be altered in any manner. The information set forth on any original or copies of any documents provided including, without limitation, the documents contained in both the Custodial Files and the Origination and Servicing Files are true, accurate and complete in all material respects.
- (e) COMPLIANCE REPRESENTATIONS**
- (i) Compliance with Laws.** All practices used in the origination and servicing of the

Mortgage Loan and the Mortgaged Property, and the terms of the Mortgage Note and Mortgage, are in compliance with all Applicable Laws and Regulations. All disclosures to the Mortgagor have been made as required by Applicable Laws and Regulations. The Seller shall maintain in its possession, available for the Purchaser's inspection, and shall deliver to the Purchaser upon demand, evidence of such compliance with all Applicable Laws and Regulations.

- (ii) **Fraud.** No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Mortgage Loan has taken place on the part of the Seller, the Mortgagor, or any other Person, including, without limitation, any originator, appraiser, title company, closing or settlement agent, realtor, builder, developer, servicer or any other party involved in the origination, sale or servicing of the Mortgage Loan or the sale of the Mortgaged Property or in the application of any insurance in relation to such Mortgage Loan. The documents, instruments and agreements submitted for loan underwriting were not falsified and contain no untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the information and statements therein not misleading. No Mortgagor utilized a false identity in the origination of such Mortgage Loan. The Seller has reviewed all of the documents constituting the Custodial File and Origination and Servicing File and has made such inquiries as it deems necessary to make and confirm the accuracy of the representations set forth herein.
- (iii) **Anti-Steering.** No Mortgagor was qualified for a lower cost product offered by the originator at the time of the origination of such Mortgage Loan.
- (iv) **High-Cost Loans.** No Mortgage Loan is a predatory loan, a high-cost loan, or a loan specially regulated under any state law due to its interest rate or points paid. No Mortgage Loan is a "high cost" or "covered" loan, as defined by any applicable federal, state or local predatory or abusive lending law.
- (v) **Anti-Money Laundering Laws.** The Seller has complied with all applicable anti-money laundering laws and regulations, including without limitation the USA Patriot Act of 2001 with respect to the origination and sale of each Mortgage Loan. No Mortgage Loan is subject to nullification pursuant to or in violation of Executive Order 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and any enabling or other regulations respective thereof (the "Executive Order") or any other regulations promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury (the "OFAC Regulations") and no Mortgagor is subject to the provisions of such Executive Order or the OFAC Regulations nor listed as a "blocked person" for purposes of the OFAC Regulations.

- (vi) ***Litigation with Respect to Mortgage Loan and Disclosures with Respect to Mortgaged Property.*** No Mortgaged Property is subject to any action, suit, proceeding, investigation, or litigation pending, or to the best of the Seller's knowledge, threatened, unless in the case of a condominium, such litigation is disclosed to Purchaser and permitted by the Purchase Eligibility Guidelines and immaterial to the value of the Mortgage Loan. The Mortgage Loan is not subject to any outstanding litigation for fraud, origination, predatory lending, or closing practices.
- (vii) ***Appraisal Independence.*** Each Mortgage File contains a written appraisal prepared by a Qualified Appraiser and in accordance with the requirements of Title XI of FIRREA and Uniform Standards of Professional Appraisal Practices. The appraisal was written, in form and substance, to customary Fannie Mae or Freddie Mac standards for mortgage loans of the same type as such Mortgage Loans and satisfies applicable legal and regulatory requirements. The appraisal was made and signed prior to the final approval of the Mortgage Loan application. The person performing any property valuation (including an appraiser) received no benefit from, and such person's compensation or flow of business from the originator was not affected by, the approval or disapproval of the Mortgage Loan. The selection of the person performing the property valuation was made independently of the mortgage Seller (where applicable) and the originator's loan sales and loan production personnel. The selection of the appraiser met the criteria of Fannie Mae and Freddie Mac for selecting an independent appraiser. The originator has adopted the Interagency Appraisal and Evaluation Guidelines with respect to appraisal and evaluation policies, procedures and practices for each Mortgage Loan.
- (viii) ***Single Credit Insurance.*** In connection with the origination of any Mortgage Loan, no proceeds from any Mortgage Loan were used to purchase, and no Mortgagor obtained any single premium credit insurance policy (e.g., life, mortgage, disability, accident, unemployment, or health insurance product) or debt cancellation agreement as a condition of obtaining the extension of credit, as part of the origination of such Mortgage Loan.
- (ix) ***Servicemembers Civil Relief Act.*** The Mortgagor has not notified the Seller that it is requesting relief under the Servicemembers Civil Relief Act of 2003, as amended, and to the best of the Seller's knowledge, there is no relief requested or allowed to the Mortgagor under the Servicemembers Civil Relief Act of 2003, as amended.
- (x) ***Ability to Repay.*** Prior to the origination of each Mortgage Loan, the Seller has made a reasonable and good faith determination that the Mortgagor possess a reasonable ability to repay the loan according to its terms. The Seller has fully

complied with the ability to repay requirements of 12 C.F.R. Part 1026.43, in making such determination. Notwithstanding the foregoing, Business Purpose Loans are not subject to this warranty, except as may otherwise be required by the Purchase Eligibility Guidelines. *This representation and warranty may be subject to repurchase limitations as set forth at Section 4.03(b) herein.*

#### **Section 4.02 Representations and Warranties Regarding Seller and Purchaser.**

The Seller hereby represents and warrants to the Purchaser as of each applicable Closing Date, and on an ongoing basis:

- (a) ***Due Organization.*** It is duly organized, validly existing and in good standing under the laws of the proper jurisdiction and has all licenses necessary to carry on its business now being conducted, including each state where each Mortgaged Property is located or is otherwise exempt under Applicable Law from such qualification; and is or will be in compliance with the laws of any such state and has obtained any such licenses to the extent necessary to enforce each Mortgage Loan or service each Mortgage Loan in accordance with the terms of this Correspondent Guide.
- (b) ***Due Authority.*** It had the authority and legal right to originate the Mortgage Loans that it originated or acquire the Mortgage Loans it acquired, to hold and sell such Mortgage Loans, and to execute, deliver, perform, and consummate all transactions contemplated by the Correspondent Guide. The Seller has full right and authority, subject to no interest or participation of, or agreement with, any other party, to sell and assign the Mortgage Loans pursuant to this Correspondent Guide and Purchaser will own such Mortgage Loans free and clear of any such encumbrance, equity, interest, lien, security interest or claim of any kind. The Correspondent Guide constitutes a binding obligation of the Seller, enforceable against it in accordance with its terms.
- (c) ***No Conflict.*** Neither the execution of this Correspondent Guide, nor the consummation of the transactions contemplated herein, will result in a breach of any of the terms or provisions of the Seller's organizational documents, or any legal restriction, agreement or instrument to which the Seller is now a party or by which it is bound, or constitute a default or result in an acceleration under any of the foregoing, or result in the violation of any law, rule, regulation, stay, order, judgment or decree to which the Seller or its property is subject, or result in the creation or imposition of any lien, charge or encumbrance that would have an adverse effect upon any of its properties pursuant to the terms of any mortgage, contract, deed of trust or other instrument, or impair the ability of the Purchaser to

realize on the Mortgage Loans, or to realize the full amount of any insurance benefits accruing pursuant to this Correspondent Guide.

- (d) ***No Material Default.*** Neither the Seller nor any of its affiliates is in material default under any agreement, contract, instrument or indenture to which the Seller or any of its affiliates is a party or by which it (or any of its assets) is bound, nor, to the best of the Seller's knowledge, has any event occurred which, with notice, lapse of time or both, would constitute a default under any such agreement, contract, instrument or indenture and have a material adverse effect on the ability of the Seller to perform its obligations under this Correspondent Guide.
- (e) ***Financial Statements.*** It has delivered to the Purchaser financial statements as to its most recently completed fiscal year. Except as has previously been disclosed to the Purchaser in writing: (a) such financial statements fairly present the results of operations and changes in financial position for such period and the financial position at the end of such period of Seller and its subsidiaries; and (b) such financial statements are true, correct and complete as of their respective dates and have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as set forth in the notes thereto.
- (f) ***No Change in Business.*** Unless previously disclosed to the Purchaser in writing, there has been no change in the business, operations, financial condition, properties or assets of the Seller since the date of the financial statements referenced in clause (e) above that would have a material adverse effect on the ability of the Seller to perform its obligations under this Correspondent Guide.
- (g) ***No Litigation Pending.*** There is no claim, action, suit, proceeding or investigation pending or, to the best of the Seller's knowledge, threatened against the Seller before any court, administrative agency or other tribunal that materially effects Seller's ability to meet its obligations under this Correspondent Guide, or would result in any material adverse change in the business, operations, financial condition, properties or assets of the Seller.
- (h) ***No Consent Required.*** No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by it of or compliance by it with this Correspondent Guide, the delivery of the Mortgage Files to the Purchaser, the sale of the Mortgage Loans to the Purchaser or the consummation of the transactions contemplated by this Correspondent Guide or, if required, such approval has been obtained prior to the related Closing Date.
- (i) ***No Untrue Information.*** In connection with the transactions contemplated hereby

and in conjunction with the counterparty review of the Seller by the Purchaser, no information nor any statement, tape, diskette, form, instrument, report or other document prepared by, or on behalf of, the Seller contains any materially untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained therein not misleading.

- (j) **Privacy.** It agrees and acknowledges that as to all nonpublic personal information received or obtained by it with respect to any Mortgagor: (i) such information is and shall be held by it in accordance with all applicable law, including but not limited to the privacy provisions of the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq. and its implementing regulations; (ii) such information is in connection with a proposed or actual secondary market sale related to a transaction of the Mortgagor for purposes of 16 C.F.R. § 313.14(a)(3); and (iii) it is prohibited from disclosing or using any such information other than to carry out the provisions of this Correspondent Guide, or as otherwise permitted by Applicable Law.
- (k) **Solvency.** It is solvent and the sale of the Mortgage Loans will not cause it to become insolvent. The sale of the Mortgage Loans is not undertaken with the intent to hinder, delay or defraud any of its creditors.
- (l) **Tax Treatment.** It has determined that the disposition of the Mortgage Loans pursuant to this Correspondent Guide is a true sale for accounting and tax purposes and it agrees to treat it as such for all accounting and tax matters hereafter.
- (m) **Compliance.** The sale or transfer of each Mortgage Loan by the Seller complies with all Applicable Laws and Regulations governing such sale or transfer.
- (n) **Compliance with Accepted Servicing Practices.** It has serviced and administered the Mortgage Loans in accordance with Accepted Servicing Practices, all Applicable Laws and Regulations and the terms of the related Mortgage Notes and Mortgages and will continue to do so through the Servicing Transfer Date.
- (o) **MERS.** Unless otherwise disclosed to the Purchaser, it is a member of MERS in good standing, and has complied in all material respects with the rules and procedures of MERS in connection with the Mortgage Loans.

The Purchaser hereby represents and warrants to the Seller as of each applicable Closing Date, and on an ongoing basis:

- (p) **Duly Organized.** The Purchaser is duly organized, validly existing and in good standing under applicable law, and has the authority to enter into this Correspondent Guide and any other related agreements.

- (q) **Due Authority.** It had the authority and legal right to acquire all of the Mortgage Loans. The Purchaser has authority to enter into and perform its obligations under this Correspondent Guide. This Correspondent Guide, assuming due authorization, execution and delivery by the Seller, constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

#### **Section 4.03 Remedies for Breach of Representations and Warranties.**

(a) **Remedies.** Should A&D reasonably believe that any of the Qualifications for any Mortgage Loan delivered by the Seller to A&D were materially and adversely incorrect as of the respective Closing Date, A&D shall so notify the Seller in writing (the “Notice”).

- i. Within ten (10) days after the delivery of the Notice, the Seller may respond in writing to such Notice with any basis that it might have to demonstrate, in good faith, that the Qualifications with regard to such Mortgage Loan were, as of the applicable Closing Date, correct (the “Response”).
- ii. After receiving the Response, or, if no Response is timely received from the Seller, then on or after the 11th day following such Notice, if A&D continues to reasonably believe that the Qualifications with regard to such Mortgage Loan were not correct, then A&D shall so notify the Seller of its request for repurchase.
- iii. The Seller shall, within five (5) Business Days after its receipt of the repurchase request, either (i) re-acquire the subject Mortgage Loan from A&D at the Repurchase Price; or (ii) notify A&D that it is submitting the parties’ dispute regarding such Qualifications (the “Dispute”) for Arbitration (the “Arbitration Notice”) pursuant to the terms of this Purchase Agreement.
- iv. Should the Seller fail to re-acquire a Mortgage Loan when required as set forth above or timely deliver the Arbitration Notice, then A&D may immediately terminate this Purchase Agreement by so notifying the Seller in writing.
- v. Within fifteen (15) Business Days of the repurchase of a Mortgage Loan by the Seller, A&D agrees to return such repurchased Mortgage Loan to the Seller, together with the related Collateral File and Origination and Servicing File and all the documents included therein. A&D and Seller will cooperate to ensure effective and compliant transfer of the servicing of the repurchased mortgage loan, as applicable.

(b) **Indemnification.** In addition to such repurchase obligation, the Seller shall indemnify and hold harmless A&D against any and all liabilities:

- i.* Resulting from any breach of the terms or conditions of this Agreement;
- ii.* Resulting from any act or omission by the Seller in connection with any Loan subject to this Agreement;
- iii.* Arising from or in connection with the Sellers use of any non-industry standard form not provided or approved by A&D in connection with any Loan;
- iv.* Concerning miscalculations and other errors which result from the Sellers independent application and processing procedures or from its misuse of forms required by A&D;
- v.* Asserted against A&D under provisions of RESPA, including, without limitation, claims based upon or arising as a result of any improper or prohibited compensation received by the Seller;
- vi.* Incurred or paid by A&D as a result of the exercise of a right of cancellation or right of recession by any Borrower in connection with a Loan; and
- vii.* Extraordinary servicing costs or carrying costs related to any Loan as a result of any of the following circumstances:
  - a. Any breach of any representation, warranty or covenant contained herein, or any material breach of this Agreement; or
  - b. If A&D is required to repurchase any Loan which it has sold to an investor, or which it has placed or pledged to a mortgage pool, which repurchase requirement is a result of the Loan being classified as a Defective Loan, as defined below, as the result of any act or omission of the Seller, the Seller shall be obligated to promptly repurchase such Loan. A "Defective Loan" means any Loan that has a breach in any respect of any representation or warranty herein contained with respect to such Loan or any failure by the Seller to comply with any covenant or condition herein contained with respect to such Loan which could reasonably be expected to result in a loss or damage to A&D or a subsequent A&D of such Loan.

**(c) Legal Counsel.** If any Claim shall be asserted or brought against A&D by reason of any of the foregoing, then the Seller shall, upon demand, obtain representation by legal counsel acceptable to A&D to defend A&D against any such Claim and the Seller shall pay all actual costs and actual attorneys' fees incurred in such defense. All of the provisions in this Article shall survive the closing of each Loan transaction, and shall inure to the benefit of A&D and future assignees of A&D.

**(d) Terms of Indemnification.**

- i.* Advances. The Seller may be asked to remit to A&D immediately upon demand a good faith advance to be applied by A&D to cover any such loss; and
- ii.* Administration Fee. The Seller may be asked to remit to A&D immediately upon demand a nonrefundable Loan administration fee in addition to the administration fee provided for in this Agreement; and
- iii.* Compensation Reimbursement. The Seller shall, immediately upon receipt of notice from A&D, fully reimburse A&D for all compensation paid to Seller by A&D, whether such compensation was included in the gross price paid or referenced separately; and
- iv.* Other Actual Losses. The Seller may be asked to remit to A&D immediately upon demand any additional amount to cover any actual loss to A&D not otherwise reimbursed by the good faith advance or the Loan administration fees as above provided.
- v.* Any good faith advance and additional amounts required under this Article V in excess of actual losses will be returned to the Seller upon final loss reconciliation by A&D. The Seller agrees that its failure to comply with the terms of the indemnification provisions within this Agreement shall give A&D the right to seek full repurchase of the Loan.

**(e) Accrual of Cause of Action.** Any cause of action against the Seller relating to or arising out of the breach of any representations and warranties made herein shall accrue as to any Mortgage Loan upon:

- i.* Discovery of such breach by A&D or notice thereof by the Seller to A&D,
- ii.* Failure by the Seller to repurchase such Mortgage Loan as specified above, and
- iii.* Demand upon the Seller by A&D for compliance with this Purchase Agreement.

**(f) Right of set-off.** The Seller grants A&D the right of set-off, and A&D may deduct any fees, penalties, or other sums, including, without limitation, actual attorneys' fees, owed by the Seller to A&D under this Agreement from the purchase price of any Loans purchased by A&D from Seller. The Seller shall be responsible for compensating A&D for any tolerance cure(s) that A&D is required to make to the Borrower because of the Seller's acts or omissions in connection with the Loan as determined by A&D in its sole and absolute discretion. A&D may also withhold, set-off, and apply any compensation, expenses, tolerance cures or other matters otherwise due and payable to Seller to any obligations of the Seller to A&D. In no event shall any compensation be paid to the Seller unless a Loan is funded. A&D shall have the right to withhold any compensation or

payments until the Loan file is complete, and the Seller has performed all of its obligations under this Agreement.

**(g) Arbitration.** The parties agree that should the Seller fail to repurchase a Mortgage Loan as required by and in accordance with the terms set forth in this Section, the resolution of such repurchase claim shall be by Arbitration. The parties agree that any arbitration proceedings hereunder shall occur in Broward County, FL. As soon as possible after the termination of the arbitration proceedings, the Arbitrator shall submit to the parties a written arbitration report setting forth the Arbitrator's decision and in format that can be transcribed for entry of judgment and may be entered and enforced in any court of competent jurisdiction, including in the state where the Seller's corporate office is located. The finding of the Arbitrator and any award granted shall be in writing and shall be final, conclusive and binding upon the parties. The Party initiating arbitration pays the up front fee with Seller paying all fees at the conclusion of arbitration.

**(h) JURY TRIAL AND CLASS ACTION WAIVER.** SELLER AND A&D ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. A&D AND SELLER, AFTER CONSULTING WITH, OR HAVING THE OPPORTUNITY TO CONSULT WITH, COUNSEL OF THEIR CHOICE, EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, WITHOUT COERCION. WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES BETWEEN THEM. SELLER AND A&D FURTHER AGREE THAT ANY PROCEEDINGS WILL BE CONDUCTED ON AN INDIVIDUAL NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING MAY NOT BE CONSOLIDATED WITH ANOTHER PROCEEDING. SELLER AGREES NOT TO SUE AS A CLASS PLAINTIFF OR CLASS REPRESENTATIVE, JOIN AS A CLASS MEMBER, OR PARTICIPATE AS AN ADVERSE PARTY IN A CLASS ACTION LAWSUIT AGAINST A&D. NOTHING IN THIS SECTION LIMITS SELLERS RIGHT TO BRING A LAWSUIT AS AN INDIVIDUAL PLAINTIFF

#### **Section 4.04 Repurchase of Mortgage Loans With Early Payment Default, and Premium Recapture.**

**(a) Early Payment Default.** Should the Mortgagor under any Mortgage Loan sold to A&D cause a Payment Default (hereafter defined) to exist on one of the first six (6) Monthly Payments due A&D, the Seller shall, within ten (10) Business Days after receiving written notification thereof from A&D, re-acquire the subject Mortgage Loan from A&D for an amount equal to the Repurchase Price. For purposes hereof, "Payment Default" means a Mortgagor's failure to pay

any amounts due under a Mortgage Loan within thirty (30) days after the Due Date of such amounts. Payments made within thirty (30) days by the Mortgagor, but applied late by the Interim Servicer or Successor Servicer, will not be considered “Payment Defaults.” Should the Seller fail to reacquire a Mortgage Loan when required as set forth above, A&D may immediately terminate this Purchase Agreement by so notifying the Seller in writing.

**(b) Premium Recapture.**

- i. In the event that any Mortgage Loan prepays-in-full on or before the 120 day anniversary of the date on which the first Monthly Payment was due A&D (the “Premium Recapture Period”), the Seller shall, upon demand by A&D, remit to A&D any Premium paid to the Seller by A&D or 1% of the total loan amount, whichever is more.
- ii. If a Mortgage Loan prepays-in-full from the 121st day to the 180th day on which the first Monthly Payment was due A&D, the Seller shall, upon demand by A&D, remit to A&D any Premium paid to the Seller by A&D or 1% of the total loan amount, whichever is more, minus a 30% discount.
- iii. For Construction Loans with scheduled draws, this clause begins on the closing date and continues 180 days after the loan closes and the discount does not apply.
- iv. For HELOCs the EPO clause applies if the HELOC is paid in full to \$0 within 180 days and the discount does not apply.

**ARTICLE V****CLOSING****Section 5.01 Closing Conditions.**

The closing for the purchase and sale of the Mortgage Loans to be purchased by the Purchaser shall take place on the applicable Closing Date set forth in the Assignment and Conveyance Agreement.

Each closing shall be subject to each of the following conditions:

- (a) ***No Breach or Default.*** All of the Mortgage Loans which are subject to this Correspondent Guide meet the Qualifications set forth by this Correspondent Guide as of the Closing Date, and no term or condition contained in this Correspondent Guide has been breached and no event shall have occurred which, with notice or the passage of time, or both, would constitute a default under this Correspondent Guide;
- (b) ***Closing Documents Delivered.*** The Purchaser shall have received, or the Purchaser's attorneys shall have received in escrow, all fully executed and enforceable Closing Documents:
  - (i) for the initial purchase of Mortgage Loan(s) only: this Correspondent Guide; and
  - (ii) for the initial purchase of Mortgage Loan(s) and all future purchases: the applicable Assignment and Conveyance Agreement.

The Closing Documents shall be executed in the manner set forth in Section 7.08, duly executed by all signatories; and

- (c) ***No Material Adverse Change.*** The Seller shall not have experienced any Material Adverse Change. For the purposes of this Section 5.01, "Material Adverse Change" shall mean, (i) a material adverse change in, or a material adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of the Seller; (ii) a material impairment of the ability of the Seller to perform under this Correspondent Guide or any related agreements (the "Operative Agreements"); or (iii) a material adverse effect upon the legality, validity, binding effect or enforceability of any Operative Agreement against the Seller.

**ARTICLE VI****INTERIM SERVICING****Section 6.01 Seller to Act as Interim Servicer.**

(a) **Authority of Interim Servicer.** The Seller, as Interim Servicer, shall service and administer the Mortgage Loans during the Interim Servicing Period and shall have full power and authority, acting alone, to do any and all things in connection with such servicing and administration which the Seller may deem necessary or desirable, consistent with the terms of this Correspondent Guide, Applicable Law and Regulations, the terms of each Mortgage and related Mortgage Note, and Accepted Servicing Practices.

(b) **Loan Modification Requirements.** The Interim Servicer may not waive, modify or vary any term of any Mortgage Loan or consent to the postponement of strict compliance with any such term or in any manner grant indulgence to any Mortgagor without the prior consent of the Purchaser.

(c) **Reporting.** During the Interim Servicing Period, the Interim Servicer shall make available loan-level information generated by it with respect to the Mortgage Loans in a practical manner mutually agreed to between the Seller and the Purchaser.

(d) **Collection of Payments, Mortgagor Inquiries and Escrow Account Management.** Continuously during the Interim Servicing Period, the Interim Servicer shall proceed diligently to collect all payments due under each of the Mortgage Loans when the same shall become due and payable. In accordance with Accepted Servicing Practices and Applicable Laws and Regulations, the Interim Servicer will appropriately handle any servicing-related inquiries by a Mortgagor. Interim Servicer shall, in accordance with the guidelines of the Real Estate Settlement Procedures Act of 1974, as amended, and all rules and regulations promulgated thereunder, take special care in ascertaining and estimating Escrow Payments and all other charges that will become due and payable with respect to the Mortgage Loans and each related Mortgaged Property, to the end that the installments payable by the Mortgagors will be sufficient to pay such charges as and when they become due and payable.

(e) **Transfer of Servicing.** The transfer of servicing responsibilities for the Mortgage Loans shall occur on the Servicing Transfer Date and the Interim Servicer shall comply with all reasonable servicing transfer instructions of the Successor Servicer. Within five (5) calendar days preceding the related Servicing Transfer Date, the Interim Servicer shall provide the Purchaser with a preliminary trial balance report. A final trial balance report and other customary service transfer related reports shall be forwarded to the Purchaser on the Servicing Transfer Date. The preliminary and final trial balance reports shall contain the minimum information outlined in

Purchaser's closing/servicing transfer instructions, including, without limitation, information relating to the amount of any unpaid taxes, charges, assessments, insurance premiums or similar matters with respect to each Mortgage Loan. On or prior to the Servicing Transfer Date, for each Mortgage Loan purchased by the Purchaser, the Seller shall create a Transfer of Servicer (TOS) and Transfer of Beneficiary (TOB) that identifies the Purchaser as both the investor and the servicer in the MERS® System utilizing the Purchaser's MERS identification number (MERS # 1012111). No later than fifteen (15) days prior to the Servicing Transfer Date, the Interim Servicer shall issue the good-bye letter to the mortgagor regarding notice of the servicing transfer consistent with the requirements of Regulation X. No later than three (3) Business Days following the Servicing Transfer Date, the Interim Servicer shall deliver to the Purchaser or its designee: (i) all documents and records relating to the Mortgage Loans, including but not limited to the Origination and Servicing Files and Custodial Files in its possession or under its control or direction, (ii) an accounting of amounts collected or held by it with respect thereto (on an "actual/actual" basis), and it shall (iii) remit to the Purchaser or its designee all funds held by it with respect to the Mortgage Loans (including but not limited to all Escrow Payments and Monthly Payments received and interest collected thereon) and otherwise use its best efforts to effect the orderly and efficient transfer of the servicing of the Mortgage Loans to the Successor Servicer. After the Servicing Transfer Date, the Interim Servicer shall forward to Purchaser any payment received or pay to the Purchaser or its designee by wire in immediately available funds in the amount of such received payment, promptly but no later than three (3) days after receipt thereof.

**(f) Access to Custodial Files.** The Purchaser shall provide the Interim Servicer with access to the Custodial Files for the purpose of interim servicing the related Mortgage Loans.

**ARTICLE VII****MISCELLANEOUS PROVISIONS****Section 7.01 Assignment and Successors.**

The Seller shall not assign the Correspondent Guide except by mutual consent of the Seller and the Purchaser. The Correspondent Guide shall inure to the benefit of and be binding upon the Seller and the Purchaser and their respective successors and assigns.

**Section 7.02 Disaster Recovery Plan.**

The Seller warrants that it has a business continuity plan (“BCP”) that addresses the continuation of services if an incident (act or omission) impairs or disrupts the Seller’s ability to perform the obligations and duties contemplated under this Correspondent Guide. The Seller agrees to make a copy of its entire BCP available for the Purchaser’s review at the Seller’s facility upon the Purchaser’s request.

**Section 7.03 Provision of Financial Information.**

On an annual basis, if requested, the Seller shall provide to the Purchaser copies of the Seller’s annual audited financial statements no later than ninety (90) days after the Seller’s fiscal year end of each year. In addition, upon the request of the Purchaser, the Seller shall provide to the Purchaser copies of its quarterly financial statements, which may be audited or unaudited as available.

**Section 7.04 Governing Law; Waiver of Jury Trial; Choice of Forum.**

This Correspondent Guide shall be construed in accordance with the laws of the State of Florida and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with the substantive laws of the State of Florida (without regard to conflicts of laws principles), except to the extent preempted by Federal law.

EACH PARTY HERETO KNOWINGLY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF IN ANY WAY RELATED TO THIS CORRESPONDENT GUIDE AND THE TRANSACTIONS CONTEMPLATED HEREBY.

With respect to any claim or action arising hereunder, the parties (a) irrevocably submit to the nonexclusive jurisdiction of the court of the Broward County and (b) irrevocably waive any objection which such party may have at any time to the laying of venue of any suit, action or proceeding arising out of or relating to this Correspondent Guide brought in any such court, and irrevocably waive any claim that any such suit action or proceeding brought in any such court has

been brought in an inconvenient forum.

**Section 7.05 EULA see Exhibit F**

**Section 7.06 Severability of Provisions.**

If any one or more of the covenants, agreements, provisions or terms of this Correspondent Guide shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Correspondent Guide and shall in no way affect the validity or enforceability of the other provisions of this Correspondent Guide.

**Section 7.07 Relationship of Parties.**

Nothing herein contained shall be deemed or construed to create a co-partnership or joint venture between the parties hereto and the services of the Seller shall be rendered as an independent contractor and not as agent for the Purchaser.

**Section 7.08 Execution.**

The Correspondent Application and/or Agreement may be executed in one or more counterparts. Delivery of an executed counterpart of a signature page in Portable Document Format (PDF) shall be effective as delivery of a manually executed original counterpart of the Correspondent Application and/or Agreement. The original documents shall be promptly delivered, if requested. If there is a conflict between an executed version of a Correspondent Agreement and this Guide, the Guide controls.

**Section 7.09 Access to Certain Documentation.**

THE SELLER SHALL PROVIDE TO THE PURCHASER AND ITS DESIGNEES ACCESS TO ANY DOCUMENTATION REGARDING THE MORTGAGE LOANS WHICH MAY BE REQUIRED BY APPLICABLE LAWS AND REGULATIONS. SUCH ACCESS SHALL BE AFFORDED WITHOUT CHARGE, BUT ONLY UPON REASONABLE REQUEST, DURING NORMAL BUSINESS HOURS AND AT THE OFFICES OF THE SELLER.

The Seller shall provide any regulatory authority that exercises authority over the Purchaser with access to all of the requested and existing origination, credit, underwriting and other files, including all related Purchase Eligibility Guidelines, relating to the Mortgage Loans. In addition, access to or copies of such documentation will be provided to the Purchaser and any Person identified to the Seller by the Purchaser without charge upon reasonable request during normal business hours at the offices of the Seller; provided that any designee or assignee of the Purchaser

shall sign a confidentiality agreement, in form and substance satisfactory to Seller, with such approval not to be unreasonably withheld. Notwithstanding the foregoing, any reasonable out-of-pocket costs and expenses incurred by the Seller related to the access to, or delivery of, any special reports or other information, if not provided for in this paragraph, will be at the Purchaser's sole cost and expense.

EXHIBIT A  
CONTENTS OF ORIGINATION AND SERVICING FILE

With respect to each Mortgage Loan, the Origination and Servicing File shall include each of the following items, originals or copies of which shall be delivered by the Seller to the Purchaser or the Purchaser's designee in the manner requested by the Purchaser:

BUYER COMPANY Origination and Servicing File Document Stacking Order Checklist

**Mortgagor Name** \_\_\_\_\_ **Loan number** \_\_\_\_\_

- i. Origination and Servicing File Stacking Order Checklist
- ii. Underwriting and Transmittal Summary
- iii. Certification of true and exact copies
- iv. Initial 1003
- v. Final 1003
- vi. Underwriter notes and required conditions
- vii. Alternate Loan Programs Analysis Form
- viii. Exception Approval Form
- ix. Conditional Commitment/Statement of Appraisal Value
- x. Credit report
- xi. Credit inquiry explanation letter
- xii. Credit explanation letters
- xiii. Evidence debt paid by another party
- xiv. Bankruptcy and foreclosure documentation, if applicable
- xv. Divorce Decree/Separation Agreement/Support Order
- xvi. Verification of Mortgage/Rental history
- xvii. Documented results of fraud checks
- xviii. Rapid Reporting Identity Report
- xix. Copy of social security card and driver's license
- xx. SSA-89 Authorization to Release SSN
- xxi. US Patriot Act Information Form/Customer Identification Verification
- xxii. Verification of funds to close/reserves and all supporting documentation
- xxiii. Verification of employment/income and all supporting documentation
- xxiv. Underwriter's Income Worksheet
- xxv. Self-employed Income Analysis
- xxvi. Verbal VOE (prior to closing)
- xxvii. 4506-T (executed at application) and IRS Transcripts



- xxviii. Purchase contract and all addenda
- xxix. Title Commitment
- xxx. Survey (if required by State or title company to issue survey endorsement)
- xxxi. Appraisal
- xxxii. Second appraisal, if applicable
- xxxiii. Inspections, if applicable (roof, termite, well, septic, etc)
- xxxiv. Final Inspection/Repair Inspection, if applicable
- xxxv. Processor's verification appraisal sent to borrower
- xxxvi. Evidence of acceptable property location (Google map)
- xxxvii. Other documents relating to value of property
- xxxviii. Final undisclosed property check
- xxxix. Initial and any subsequent Loan Estimates
- xl. Acknowledgment of Receipt of Loan Estimate
- xli. Settlement Services List of Providers
- xlii. Initial and Revised Truth in Lending Disclosures
- xliii. Interest Rate Agreement
- xliv. Borrower's Certification and Authorization
- xlv. Credit Report Refresh and Undisclosed Debt Disclosure
- xlvi. Occupancy Certificate
- xlvii. Affiliated Business Arrangement Disclosure
- xlviii. Appraisal Report Delivery Disclosure
- xlix. State disclosures
  - l. Federal disclosures (Combined Federal Disclosure Notice)
  - li. Lender Acknowledgment of Combined Federal Disclosure Notice
  - lii. File contact list
  - liii. Hazard insurance policy with mortgagee clause (binder acceptable only if state mandated)
  - liv. Flood certification
  - lv. Notice of Flood Hazard, if applicable
  - lvi. Flood insurance application and paid receipt for one year
  - lvii. Wiring Instructions
  - lviii. Closing Protection Letter
  - lix. Real Estate Tax Certification
  - lx. Irrevocable Trust Agreement with Attorney Opinion Letter, if applicable
  - lxi. First Payment Letter
  - lxii. Servicing Transfer Letter
  - lxiii. Certified copy of the Mortgage Note
  - lxiv. Certified Copy of Mortgage/DOT/Riders submitted for recording

- lxv. Certified Copy of Assignment submitted for recording
- lxvi. Signature/Name Affidavit
- lxvii. Initial Closing Disclosure
- lxviii. Final Closing Disclosure
- lxix. Closing/Escrow Instructions
- lxx. Initial Escrow Disclosure
- lxxi. Title Policy
- lxxii. Final Disclosures including Truth in Lending and itemization of Amount Financed
- lxxiii. HOEPA or state anti-predatory lending disclosures
- lxxiv. W-9
- lxxv. 4506-T (executed at closing)

EXHIBIT B  
ASSIGNMENT AND CONVEYANCE AGREEMENT

This is an Assignment and Conveyance Agreement delivered pursuant to that certain Mortgage Loan Purchase, Warranties and Servicing Agreement, dated as of \_\_\_\_\_, 20\_\_ (the “Correspondent Guide”), between [ \_\_\_\_\_ ] (the “Seller”) and BUYER COMPANY HERE (the “Purchaser”). All capitalized terms used herein without definition shall have the meanings ascribed thereto in the Correspondent Guide.

The Seller and the Purchaser hereby confirm that they have reached agreement on the purchase, sale and interim servicing of the Mortgage Loans described on Annex 1 attached hereto on the terms and conditions set forth in the Correspondent Guide (which terms and conditions are incorporated herein by this reference).

Further, the Seller hereby certifies that all Qualifications have been met with regard to each Mortgage Loan listed on Annex 1. The Seller certifies that, with regard to each such Mortgage Loan:

- i. On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, the Closing Date, the Seller does hereby sell, transfer, assign, set over and convey to the Purchaser all right, title and interest of the Seller in and to each Mortgage Loan listed on Annex 1.
- ii. All of the representations and warranties of the Seller under the Correspondent Guide shall be true and correct as of the Closing Date and no event shall have occurred which, with notice or the passage of time, or both, would constitute a default under the Correspondent Guide; and
- iii. All of the Loan Level Criteria listed on the Mortgage Loan Schedule at Annex 1 are true and correct as of the Closing Date.

This Assignment and Conveyance Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed an original, and all such counterparts shall constitute one and the same instrument.

[SIGNATURES TO FOLLOW]

TO WITNESS THIS, the parties have caused their names to be signed by their respective duly authorized officers as of the date first written above.

**[SELLER]**, as Seller

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**A&D Mortgage LLC**, as Purchaser

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Annex 1**

to

**Assignment and Conveyance Agreement**

<b>Seller</b>		
Seller Loan ID		
BUYER COMPANY Loan ID		
Stated Principal Balance		
<b>Cutoff Date</b>		
<b>Purchase Price Percentage</b>		
<b>Purchase Price</b>		
Interest Rate		
<b>Premium Recapture Expiration Date</b>		
First Payment Date		
Closing Date		
Servicing Transfer Date		
Accrued Interest		
Escrow		
Delivery Fee		
<b>TOTAL OWED</b>		

**Total Loan Purchase = \$xxx,xxxx.xx**
**Wire Instructions**
**Beneficiary's Information:**

 Bank Name:  
 Bank Address:  
 ABA/Transit #:

**For Further Credit to:**

 Account Number:  
 Name:  
 Address:

[MORTGAGE LOAN SCHEDULE TO BE ATTACHED]

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**EXHIBIT C**  
**CUSTODIAL FILE DOCUMENTS**

BUYER COMPANY Custodial File Documents Stacking Order Checklist

**Borrower Name** \_\_\_\_\_ **Loan number** \_\_\_\_\_

***i. Original Note.***

- a. The original Note must be endorsed "in blank" on the Note or an Allonge, with all intervening endorsement(s), if applicable and any required addenda or rider, in order to evidence a complete chain of endorsements from the original mortgagee to the last endorsement.
- b. Any Allonge to a Note must be a properly executed and enforceable original and must be provided with the Note.

***ii. Original recorded Mortgage and riders, if any.***

**ARTICLE I**

In the case of each Mortgage Loan that was originated as a MOM Mortgage Loan, the original Mortgage must note the presence of the MIN of the Mortgage Loan.

***iii. Original recorded Assignment of Mortgage or an unrecorded Assignment of Mortgage, assigned to blank.***

**ARTICLE II**

If the Mortgage Loan was not a MOM Loan at origination, an original assignment of the Mortgage to Purchaser or MERS must be provided; and

**ARTICLE III**

Originals of any intervening assignments, as necessary and sufficient to form a complete and enforceable legal chain of title from the Originator to the Purchaser

***iv. Original Title Policy and applicable endorsements.***

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**ARTICLE IV**

Original Title Policy and endorsements or

**ARTICLE V**

copy of Title Commitment or Attorney's Opinion of Title.

v. ***Original title insurance policy or,***

- a. if unavailable, then a duplicate original signed (or counter signed) by the title company that includes Schedule A, Schedule B and conditions and stipulations or comparable information.

**ARTICLE VI**

If the title insurance policy has not been issued, the Seller must submit the original or a photocopy of the title commitment with the issuer's contact information and a legal description of the Mortgaged Property identical to that shown on the Mortgage. Originals of any assumption, consolidation, extension, or modification agreements.

**\*\* For all documents where originals are required, if the original document has been submitted for recording but has not been returned from the public recording office, the Seller must submit a complete copy of such document as well as:** a recording receipt from such recording office or, if neither a recorder's certified copy or a receipt are available, then an Officers' Certificate of an officer the Seller, **title insurance company, closing/settlement escrow agent or the closing attorney** confirming that such document has been accepted by such recorder's office for recording.

## EXHIBIT D

**LOAN LEVEL CRITERIA**

<b>Field Category</b>	<b>Field Number</b>	<b>Field Description</b>	<b>Format</b>	
<b>Loan Information</b>	1	Seller Loan Number	Numeric	
	2	BUYER COMPANY Loan Number	Numeric	
	3	Origination Date	Date	
	4	Original Balance	Numeric	
	5	First Payment Date	Date	
	6	Next Payment Date Due	Date	
	7	Product Type	30Y FiX	
	8	IO Flag	N	
	9	Original Term	360	
	10	Original Amort Term	360	
	11	Original PI	Numeric	
	12	Original PITI	Numeric	
	13	Original Rate	Numeric	
	14	Original APR	Numeric	
	15	Lender Origination Fee	Numeric	
	16	Lender Processing/Underwriting Fees	Numeric	
		17	Original LTV	Numeric
		18	Original Combined LTV	Numeric
		19	Prepay Flag	N
		20	Balloon Flag	N
		21	Lien	1
		22	Purpose	Purchase
		23	Occupancy Type	Owner Occupied
		24	Escrow Flag	Y
		25	Escrow Balance	Numeric
		26	Guideline Exception	
	<b>Property Information</b>	27	Property Street Address	Y/N
		28	Property City	Alphanumeric
		29	Property State	Alphanumeric
		30	Property Zip	Alphanumeric
		31	Property County	Alphanumeric
		32	Property Flip	Alphanumeric
		33	Property Type	Y/N
	34	Property Units	Alphanumeric	
	35	Purchase Price	Numeric	
<b>Appraisal Information</b>	36	Appraisal Amount	Numeric	

	37	Appraisal Type	Numeric
	38	Appraisal Date	URAR 1004
	39	Appraisal Management Company	Date
	40	Appraiser License State	Alphanumeric
	41	Appraiser License Number	Alphanumeric
	42	Appraiser First Name	Alphanumeric
	43	Appraiser Last Name	Alphanumeric
<b>Credit History</b>	44	FICO	Alphanumeric
	45	FICO Date	Numeric
		Limited Credit	Y/N
	48	LastBK Date	Date
	49	LastFCL Date	Date
	50	LastDIL Date	Date
	51	LastSS Date	Date
	52	T30 (Last 12mo)	Numeric
	53	T60 (Last 12mo)	Numeric
	54	T90 (Last 12mo)	Numeric
<b>Borrower Information</b>	55	Borrower Last Name	Numeric
	56	Borrower First Name	Alphanumeric
	57	Borrower SSN	Alphanumeric
	58	Coborrower Last Name	Numeric
	59	Coborrower First Name	Alphanumeric
	60	Coborrower SSN	Alphanumeric
	61	Borrower Monthly Income	Numeric
	62	Coborrower Monthly Income	Numeric
	63	Housing Ratio (PITI)	Numeric
	64	Total Assets	Numeric
	65	Total Liabilities	Numeric
	66	Total NonPITI Monthly Debt Service	Numeric
	67	Debt Ratio (Back End)	Numeric
	68	Borrower Contribution	Numeric
	69	Reserves	Numeric
70	Self Employment Flag	Numeric	
71	First Time Home Buyer Flag	Y/N	
72	Foreign National Flag	Y/N	

**EXHIBIT E**  
FORM OF PURCHASE COMMITMENT LETTER

Purchase Commitment Letter

Date: \_\_\_\_\_

Purchaser: \_\_\_\_\_

Seller: \_\_\_\_\_

Seller Loan ID: \_\_\_\_\_

BUYER COMPANY Loan ID: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

Interest Rate: \_\_\_\_\_

Purchase Price: \_\_\_\_\_

BUYER COMPANY will proceed with the purchase of the above-referenced Mortgage Loan, subject to and in accordance with the requirements of the Mortgage Loan Purchase and Interim Servicing Agreement between the Seller and Purchaser, including BUYER COMPANY's standard post close regulatory compliance and closing package reviews.

**Expiration Date:** \_\_\_\_\_

*This is not a credit decision. It is provided solely to confirm the purchase eligibility for the benefit of the Seller's third party warehouse lender.*

Best Regards,

**EXHIBIT F****ASSIGNMENT, ASSUMPTION AND RECOGNITION AGREEMENT**

ASSIGNMENT, ASSUMPTION AND RECOGNITION AGREEMENT (this “Agreement”) made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, among [ \_\_\_\_\_ ], a \_\_\_\_\_, as seller (the “Seller”), \_\_\_\_\_ a \_\_\_\_\_ (the “Assignee”), and [[ \_\_\_\_\_ ]] (the “Assignor).

WHEREAS, the Assignor and the Seller have entered into (i) a certain Mortgage Loan Purchase, Warranties and Interim Servicing Agreement dated as of \_\_\_\_\_, 202\_\_ (the “Correspondent Guide”), pursuant to which the Seller sold certain mortgage loans and (ii) the applicable Assignment and Conveyance Agreements (the “Assignment and Conveyance”), pursuant to which the Assignor has acquired certain mortgage loans which are subject to the provisions of the Correspondent Guide;

WHEREAS, the Assignee has agreed on certain terms and conditions to purchase from the Assignor certain mortgage loans (the “Mortgage Loans”), which Mortgage Loans are subject to the provisions of the Correspondent Guide and are listed on the attached as Exhibit 1 hereto;

[[WHEREAS, the Assignee, as depositor, \_\_\_\_\_, as trustee (the “Trustee”), and the custodians named therein, will enter into the [Master Servicing and Trust Agreement] dated as of \_\_\_\_\_, 202\_\_ (the “Agreement”), Pursuant to the terms of the \_\_\_\_\_ Agreement, the Assignee will transfer the Mortgage Loans to the Trustee on behalf of the trust, together with the Assignee’s rights under the Correspondent Guide and the Assignment and Conveyance (other than the rights of the Assignor to indemnification thereunder which Assignor shall retain);]]

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller, the Assignor, and the Assignee (each, a “Party”) agree as follows:

a. Assignment and Assumption.

(a) The Assignor hereby grants, transfers and assigns to the Assignee all of its right, title and interest in and to the Mortgage Loans, together with its obligations as “Purchaser” (as such term is defined in the Correspondent Guide) as related to the Mortgage Loans (other than the rights of the Assignor to indemnification thereunder). The Assignee agrees to be bound, as Purchaser, by all of the terms, covenants and conditions of the Correspondent Guide relating to the Mortgage Loans, and Assignee hereby assumes all of the Assignor’s obligations under the Correspondent Guide as related to the Mortgage Loans. The Seller hereby acknowledges such assignment and

assumption and each of the Seller and the Assignee hereby agrees to the release of the Assignor from any obligations under the Correspondent Guide from and after the date hereof, to the extent relating to the Mortgage Loans.

b. Accuracy of Correspondent Guide.

The Seller and the Assignor represent and warrant to the Assignee that (i) attached hereto as Exhibit 2 is a true, accurate and complete copy of the Correspondent Guide, with any amendments thereto, (ii) the Correspondent Guide is in full force and effect as of the date hereof, and (iv) no notice of termination has been given to the Seller under the Correspondent Guide.

c. Recognition of Assignee.

From and after the date hereof, the Seller shall note the transfer of the Mortgage Loans to the Assignee in its books and records and shall recognize the Assignee as the owner of the Mortgage Loans. It is the intention of the Assignor, the Seller and the Assignee that the Correspondent Guide shall be binding upon and inure to the benefit of the Seller and the Assignee and their successors and assigns as to the Mortgage Loans, as if the Assignee and the Seller had entered into a separate Correspondent Guide for the purchase of the Mortgage Loans in the form of the Correspondent Guide, the terms of which are incorporated herein by reference, as amended by this Agreement. The Assignee shall have all the rights and remedies available to the Assignor under the Correspondent Guide (except such rights as are specifically retained by the Assignor hereunder), insofar as they relate to the Mortgage Loans, and shall be entitled to enforce all the obligations of the Seller thereunder insofar as they relate to the Mortgage Loans, including enforcement of representations and warranties, except as otherwise provided herein. The terms of the Correspondent Guide are as specified in the Correspondent Guide attached as Exhibit 2, including any amendments thereto, and no amendment to the Correspondent Guide shall have any effect unless it has been agreed to by the parties hereto.

d. Representations and Warranties of the Parties.

Each Party, on behalf of itself, hereby represents and warrants to each other Party, on an individual basis, as follows

(a) Authority. Each Party represents and warrants that it is duly and legally authorized to enter into this Agreement and to perform its obligations hereunder and under the Correspondent Guide and the execution of this Agreement will not conflict with, or result in a breach of, any of the terms, conditions or provisions of the Party's charter or bylaws or any legal restriction, or any material agreement or instrument to which the Assignee is now a party or by which it is bound, or result in the violation of any law, rule, regulation, order, judgment or decree to which the Party is subject.

(b) Enforceability. Each Party hereto represents and warrants that this Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(c) No Consent. No consent, approval, order or authorization of, or declaration, filing or registration with, any governmental entity is required to be obtained or made in connection with the execution, delivery or performance by each Party to this Agreement or if required, such approval has been obtained.

a. Additional Representations and Warranties of the Seller. The Seller warrants and represents to the Assignor and the Assignee as of the date hereof that:

(a) the representations and warranties set forth in Section 4.01 of the Correspondent Guide with respect to the Mortgage Loans are true and correct as of the related Closing Date (or such other date as specified therein); and

(b) [except as disclosed herein,] the representations and warranties set forth in Section 4.02 of the Correspondent Guide with respect to the Seller are true and correct as of the date hereof as if such representations and warranties were made on the date hereof.

b. Additional Representations and Warranties of the Assignee. The Assignee warrants and represents to the Assignor and the Seller as of the date hereof that:

Decision to Purchase. The Assignee is a sophisticated investor able to evaluate the risks and merits of the transactions contemplated hereby, and that it has not relied in connection therewith upon any statements or representations of the Assignor or the Seller other than those contained in the Correspondent Guide or this Agreement.

c. Additional Representations and Warranties of the Assignor. The Assignor hereby represents and warrants to the Assignee as follows:

Ownership. The Assignor is the sole owner of record and holder of the Mortgage Loans and the indebtedness evidenced by each Mortgage Note and has full right to transfer and sell the Mortgage Loans to the Assignee free and clear of any encumbrance.

8. Remedies. The Seller hereby acknowledges and agrees that the remedies available to the Assignor and the Assignee in connection with any breach of the representations and warranties made by the Seller set forth in Section 5 hereof shall be as set forth in Subsection 4.03 of the Correspondent Guide as if they were set forth herein (including without limitation the repurchase and indemnity obligations set forth therein which remedies shall

remain available to both the Assignor and Assignee). In the event the Seller has breached a representation or warranty under the Correspondent Guide, the Assignee or the Assignor may proceed against the Seller to repurchase such Mortgage Loan as set forth by the terms of the Correspondent Guide (to the extent the Seller is obligated to repurchase such Mortgage Loan pursuant to the Correspondent Guide).

9. Continuing Effect.

Except as contemplated hereby, the Correspondent Guide shall remain in full force and effect in accordance with its terms.

(a) Governing Law; Waiver of Jury Trial; Choice of Forum.

The Parties agree that this Agreement shall be construed in accordance with provisions contained in Section 7.04 of the Correspondent Guide, as if they were fully set forth herein.

(b) Notices.

Any notices or other communications permitted or required hereunder or under the Correspondent Guide shall be in writing and shall be deemed conclusively to have been given if personally delivered at or mailed by registered mail, postage prepaid, and return receipt requested and confirmed by a similar mailed writing, to: (i) in the case of the Seller, [\_\_\_\_\_, \_\_\_\_\_] or such address as may hereafter be furnished by the Seller; (ii) in the case of the Assignee, \_\_\_\_\_, \_\_\_\_\_, Attention: \_\_\_\_\_, or such other address as may hereafter be furnished by the Assignee, and (iii) in the case of the Assignor, [\_\_\_\_\_] or such other address as may hereafter be furnished by the Assignor.

(c) Counterparts.

This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

(d) Definitions.

Any capitalized term used but not defined in this Agreement has the same meaning as in the Correspondent Guide.

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

[[\_\_\_\_\_]],  
as Assignee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[[\_\_\_\_\_]],  
as Seller

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[[ \_\_\_\_\_ ]]  
as Assignor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT G  
**EULA/LP/DU/VA / FHA SPONSORSHIP AGREEMENT**

Whereas \_\_\_\_\_ (Company, herein called ‘Seller’) wishes to be sponsored by A&D Mortgage, LLC (‘Lender’) to originate and process FHA and VA loans to be presented to Lender for underwriting and funding, the parties agree to the following:

**FHA AND VA SPONSORSHIP**

Lender may, at its sole option, sponsor the Seller to originate and process FHA and VA loans with Lender. Lender may at any time, with or without cause, notify the Seller that Lender will terminate Lender’s sponsorship of the Seller. As of the effective date of the termination, Lender shall cease accepting Loan Application Packages which are FHA Mortgage Loans and/or VA Loans with the Seller.

**COMPLIANCE WITH LENDER’S REQUIREMENTS**

Should Lender sponsor the Seller as an FHA or VA Originator, the Seller shall comply with all of Lender’s requirements including Lender’s policies with respect to Compensation. The Seller acknowledges that Lender alone shall underwrite all Applications for FHA and VA Mortgage Loans and that all approved FHA or VA Mortgage Loans shall be closed and funded in the name of Lender. Seller agrees to comply with all lending requirements of FHA or VA and all requirements of FHA and VA, including those regarding advertising and signage. For each FHA or VA loan, Seller shall obtain an FHA or VA Approval and cause all conditions for same to be met.

**GNMA REQUIREMENTS**

Each FHA or VA Mortgage Loan shall comply with GNMA Requirements as of the date of the closing of such FHA or VA Mortgage Loan.

**NOTIFICATION OF DISCIPLINARY OR OTHER ACTION BY FHA, VA,  
HUD, GNMA, ANOTHER LENDER OR ANY AGENCY**

The Seller shall notify Lender in writing within 10 days following the initiation or threat of any disciplinary action, enforcement action, lawsuit, administrative proceeding or similar action or proceeding by FHA, VA, HUD, GNMA, another Lender or any Agency or if any pending investigation by FHA, VA, HUD or GNMA, another Lender, or any Agency against the Seller or any of the Seller’s affiliated companies, or against any of the directors, officers, employees, or agents of either the Seller or any of the Seller’s affiliated companies.

**FHA/VA MORTGAGE LOANS ELIGIBILITY**

Seller understands and agrees that FHA and VA Mortgage Loans must be in full compliance with the Lender’s requirements and, as applicable, the requirements of FHA or VA as of the date the Loan Approval is issued, provided, however, that the effective dates established by FHA or VA for any amendments to that agency’s rules or Lender or Lender’s investor shall apply to the FHA or VA Mortgage Loan. Each FHA or VA Mortgage Loan is in full compliance with GNMA requirements as of the date of each closing of such type of mortgage loans.

**END USER LICENSE AGREEMENT**

**TERMS**

Lender has entered into End User Licensing Agreements (EULAs) with Fannie Mae via their Licensed Application Master

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Terms and Conditions (“Master Terms”) and Desktop Underwriter® Schedule and associated Redistribution Addendum thereto (“DU Schedule” and “Addendum”, respectively, and together with the Master Terms, the “License Agreement”) with Fannie Mae governing the rights and obligations of Lender and Fannie Mae with respect to Lender's use of Desktop Underwriter (“DU”) as well as Freddie Mac via their Loan Product Advisor (“LPA”) Terms and Conditions, Schedules, etc. (Fannie Mae and Freddie Mac collectively hereafter are the “GSEs”). For purposes of use of these EULAs, Company (and its individual Sellers, both collectively hereafter referred to as “Seller”) is an Affiliate or Subsidiary of Lender and desires to use these EULAs in connection with Prequalification Analysis, mortgage loan origination and/or underwriting activities.

### **EULA RIGHTS**

Lender agrees that, as and to the extent set forth in this Agreement, its license rights under DU and LPA shall extend to Seller in connection with DU and LPA. Seller agrees that the rights granted to it shall not extend to any third party, including, but not limited to, Seller's customers, subsidiaries and/or affiliates.

### **DU AND LPA ACKNOWLEDGMENTS, AGENCIES, CONSUMER DATA**

In connection with the processing and evaluation of Consumer Credit Data by DU or LPA for purposes of making an underwriting recommendation or performing an Early Assessment or a Prequalification Analysis (if applicable), Seller expressly appoints Fannie Mae, as owner of DU, or Freddie Mac, as owner of LPA, as its agent, as that term is defined in the FCRA. As Seller's agent, Fannie Mae or Freddie Mac shall, and are hereby expressly authorized by Seller to, obtain Consumer Credit Data for the sole purpose of performing an Early Assessment or a Prequalification Analysis and/or making an underwriting recommendation.

Seller also expressly acknowledges, understands and agrees that each GSE's role as Seller's agent shall not extend beyond the limited purposes set forth in this agreement, and for all other purposes, there shall be no such principal and agent relationship. Moreover, Seller will never misrepresent the limited extent of this principal/agent relationship to a third party.

Seller further acknowledges, understands and agrees that any recommendation rendered by DU or LPA in the evaluation of Consumer Credit Data will not constitute an approval or denial of the Mortgage Loan Application by the GSEs or a commitment to purchase the loan by the GSEs. Seller represents and warrants to Lender that Seller has provided the prospective user information and certifications set forth in 15 USC §1681e(a) to each consumer reporting agency that provides Consumer Credit Data through the Licensed Application to Seller. Seller shall disclose any secondary use of Consumer Credit Data that is facilitated by use of DU or LPA to the issuing consumer reporting agency including information relating to the identity of the secondary user. Each of these representations, acknowledgements, and warranties from Seller to the GSEs are equally applicable from Seller to Lender.

Seller further represents and warrants that it (i) has not been suspended or terminated by the GSEs, (ii) has not had its officers, directors (or managing members), controlling ownership, or other key executives convicted of mortgage fraud or other similar offenses, or is under a Suspension Order by FHFA's Suspended Counterparty Program, and (iii) has not had its access terminated by another of the GSE's license for the Licensed Application.

Seller must first obtain written permission from the mortgage loan applicant to request additional consumer reports before using DU or LPA as described below:

- To request and receive Consumer Reports and analyze and evaluate Consumer Credit Data in such reports for the purpose of performing Early Assessments or Prequalification Analyses of prospective loan applicants who have

- submitted an express, written authorization to Seller to obtain such reports and analyze and evaluate such data;
- To request and receive Consumer Reports and analyze and evaluate Consumer Credit Data in such reports in underwriting Mortgage Loan Applications before a decision regarding any such application is made and communicated to any loan applicants;
  - With respect to Mortgage Loan Applications previously approved but not yet closed:
    - To request and receive additional Consumer Reports through the Credit Retrieval Module, when Seller is requesting such reports in connection with its own Mortgage Loan Applications and/or Early Assessments or Prequalification Analyses and has obtained the loan applicant(s)' prior written permission to request such additional Consumer Reports, or because other circumstances exist which Seller believes justify the request for such additional consumer reports under the FCRA; to analyze or evaluate Consumer Credit Data, including Consumer Reports, when Seller determines that data obtained subsequent to its initial approval may affect its prior underwriting approval decision;
    - To request and receive Consumer Reports and/or analyze or evaluate Consumer Credit Data when the loan applicant(s) request different loan terms or a different loan product than that originally requested by the loan applicant(s); and
    - With respect to Mortgage Loan Applications previously denied by Seller, which denial decision has been communicated to the applicant(s):
      - To request and receive Consumer Reports through the Credit Retrieval Module, when Seller is requesting such reports in connection with its own Mortgage Loan Applications and/or Early Assessments or Prequalification Analyses;
      - To analyze or evaluate Consumer Credit Data, including Consumer Reports, when (A) Seller determines that data obtained subsequent to its initial denial decision may affect its prior underwriting decision, and (B) Seller intends to make and communicate an offer of credit to the applicant(s) if an approval recommendation decision is rendered by DU or LPA as a result of consideration of the additional data obtained.

This EULA Agreement shall remain in full force and effect unless terminated pursuant to the terms of the Seller Agreement or terminated for reasons herein. The parties acknowledge and agree that this EULA is subject to the License Agreements with the GSEs and that this Agreement shall automatically terminate upon termination of the License and Use Agreements between the GSEs and Lender.

The parties acknowledge that, pursuant to the terms of that Section of the Redistribution Addendum captioned "Termination of Affiliates and Subsidiaries", either GSE may, in its absolute discretion, immediately terminate access by Seller to DU or LPA for any breach of (a) the License Agreement, (b) EULA Form in the checklist, or (c) any other agreement between Seller and any lender (including A&D Mortgage, LLC) that has access to DU or LPA. Upon termination of EULA, the other terms and conditions of this EULA shall continue in full force and effect unless otherwise terminated or amended pursuant to the terms hereof.

### **LICENSED MATERIALS**

Immediately upon termination of the EULA, Seller shall cease using DU or LPA, and destroy or return all copies of DU or LPA Materials in its possession to Lender. Promptly upon request from Lender or the GSEs, Seller shall provide Lender or the GSEs with written certification of its compliance with the foregoing, executed by a duly authorized officer of Seller.

### **LICENSED MATERIAL SUPPORT**

Lender, and not the GSE, shall be responsible for providing Seller with (i) first line support with respect to Seller questions

and comments concerning the GSEs' automated underwriting guidelines and policies, including, but not limited to, questions concerning the interpretation and applicability of the Licensed Application's findings reports and questions relating to the GSEs' Selling Guide and (ii) appropriate training relating to the use of DU or LPA and such guidelines and policies. The provisions in Section 24 of the DU Schedule in the Fannie Mae License Agreement shall apply and expressly control Fannie Mae's obligations.

### **GSE AMENDMENTS**

The GSEs may issue hard-copy bulletins or electronic bulletins (via electronic mail or posted to an applicable GSE internet site) amending the License Agreement on a prospective basis, effective on the date specified by the GSE in the bulletin. The GSE will issue each bulletin at least twenty (20) calendar days before its effective date. Lender shall notify Seller of bulletins amending the License Agreement within seven (7) days of issuance, and Seller agrees to comply with any amendments by the effective date.

### **EULA; CONFLICT WITH LICENSE AGREEMENT**

In the event of a conflict between the terms of this EULA and the terms of the actual GSE's License Agreement, the terms of the License Agreement shall govern. The GSEs are intended to be a third-party beneficiary to the terms of this EULA and entitled to enforce any of the terms.

Rights under EULA may not be assigned by Seller to any other person(s), firm(s), corporation(s) or other entities without the prior express written consent of the GSEs and Lender.

In the event that any provision of EULA conflicts with the law under which the EULA is to be construed, or if any such provision is held invalid, void or unenforceable by a court with jurisdiction over the parties to the EULA, such provision shall be deemed to be restated to reflect as nearly as possible the original intention of the parties in accordance with applicable law, and the remainder of the EULA and the Agreement shall remain in full force and effect.

Principal Officer signature below acknowledges receipt, understanding, and agreement with VA/FHA/EULA Agreements as outlined above.

Lender: A&D Mortgage, LLC

Seller: \_\_\_\_\_

By:

By:

Name:

Name:

Title:

Title:

Address: 899 W Cypress Creek Rd  
Fort Lauderdale, FL 33309

Address:

Email: infosec@admortgage.com

Email:

EXHIBIT H: COMPLIANCE AND FRAUD POLICY

**TRID COMPLIANCE ASSERTION**

This assertion is provided to confirm Company’s compliance with TRID.

- Legal Name of Company:
- Company DBA (if different):
- Company Address:
- Compliance Lead’s Name:
- Compliance Lead’s Title:
- Compliance Lead’s Phone Number:
- Compliance Lead’s Email Address:

Your signature below certifies that Company has adopted written policies and procedures, including a Quality Control Plan, to ensure compliance with TILA/RESPA Integrated Disclosure rules (TRID). Your company’s TRID compliance policies include accuracy of the Loan Estimate and Closing Disclosure’s content and timing pursuant to the CFPB.

If your company does not have these policies and is not in compliance with TRID, please indicate below and provide an action plan for training and resources to come into compliance with TRID prior to conducting business with Lender. Company must be in compliance with TRID before the Correspondent Agreement is effective.

As of the date of signing, Company:

- \_\_\_ is in compliance with TRID requirements
- \_\_\_ is not in compliance with TRID requirements.

**Fraud Policy**

It is Lender’s policy to report all instances of potential fraud or suspicious activity to state and federal law enforcement agencies, including the Federal Bureau of Investigation (FBI).

**TYPES OF LOAN MISREPRESENTATIONS AND FRAUD**

The following are examples of fraudulent misrepresentation or concealment that are prohibited. This is not an all-inclusive list.

1. Submission of False or Misleading Information: This includes but is not limited to submitting false statements on loan applications and/or falsifying documents purporting to substantiate credit, employment, income, deposit and asset information, including identity, ownership, or non-ownership of real property.
2. Forgery: Signing any documents, including letters of explanation, on behalf of clients.
3. Occupancy Misrepresentations: Submitting incorrect information regarding current occupancy or the intent to maintain minimum continuing occupancy as stated in the Security Instrument.
4. Concealment of Relevant Information: Seller/Correspondent must obtain and disclose accurate information on

the loan application. The submission of information or documentation that is known or should be suspected of being false or misleading is considered misrepresentation and/or fraud. The following are examples:

- a. Simultaneous or consecutive processing of multiple owner-occupied loan applications from one applicant on multiple properties, or
  - b. Simultaneous or consecutive processing of multiple loan applications from one applicant supplying inconsistent information on each application.
5. Permitting an applicant or interested third party to “assist” with processing of the loan, including but not limited to hand carrying verifications, requesting credit reports, or ordering appraisals or any other documentation provided by third-party vendors.

### **CONSEQUENCES**

Loan fraud is costly to all parties involved. Lender stands behind the quality of its loan production. Fraudulent loans damage Lender’s reputation with investors and mortgage insurance providers. For those who participate in committing loan fraud the price is costly as well. Below are potential consequences to those parties involved in loan fraud.

#### **CONSEQUENCES TO CORRESPONDENT/COMPANY**

The following are examples of fraudulent misrepresentation or concealment that are prohibited. This is not an all-inclusive list.

1. Criminal prosecution by legal authorities
2. Loss or suspension of Real Estate License, Salesperson’s License, and other applicable licenses
3. Civil action against Company by Lender
4. Civil action against Company by the applicant borrower and/or other parties to the loan transaction

#### **CONSEQUENCES TO BORROWER**

1. Acceleration of Borrower’s debt: Paragraph 6 of the uniform FNMA/FHLMC Deed of Trust states: “Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to lender (or failed to provide lender with any material information) in connection with the loan evidenced by the Note, including but not limited to representations concerning Borrower’s occupancy of the property as a principal residence.
  - a. Foreclosure under this section of the Deed of Trust does not require Borrower to be in payment default. As such, the Borrower will not have the benefit of reinstatement. In order to cure the default, the Borrower must pay off the loan in full prior to the sale of the property.” There are similar clauses in all security instruments used by Lender that will be in effect upon funding of each loan.
2. Criminal prosecution by legal authorities
3. Civil action against Borrower by Lender
4. Civil action against Borrower by parties to the loan transaction, such as the seller and/or real estate agent
5. Loss or suspension of professional license
6. Adverse effects on credit history

#### **IRS REGULATORY ACTIONS**

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