



## DELIVERY GUIDE

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## 1. Contact Information

### A&D Mortgage Hotlines

Partner Support	704-444-0877 <a href="mailto:partnersupport@admortgage.com">partnersupport@admortgage.com</a>	Monday to Friday 8:00 AM to 9:00 PM, EST	Support, training, how-to guidance
Lock Desk	305-824-2421 <a href="mailto:lock@admortgage.com">lock@admortgage.com</a>	Monday to Friday 9:00 AM to 5:00 PM, EST	Lock Change Requests
Servicing Department	305-760-9090 <a href="mailto:servicingtransfer@admortgage.com">servicingtransfer@admortgage.com</a>	Monday to Friday 9:00 AM to 6:00 PM, EST	Servicing Transfers
Collateral Department	305.760.7000 <a href="mailto:trailingdocuments@admortgage.com">trailingdocuments@admortgage.com</a>	Monday to Friday 8:00 AM to 5:00 PM, EST	Trailing Documents

## Holiday Schedule

A&D Mortgage LLC will observe the following holidays:

- New Year's Day
- Martin Luther King Day
- President's Day
- Memorial Day
- Independence Day
- Juneteenth
- Labor Day
- Thanksgiving Day
- Christmas Day

## 2. Application Processing/Required Documentation

Applicants interested in obtaining approval to become A&D Mortgage Correspondent should follow the process below:

1. Access A&D Mortgage website located at <https://admortgage.com/correspondent>
2. Go to Guidelines > Application Package Tab > open AD Mortgage Correspondent Package [Correspondent Package | AD Mortgage](#)
3. Submit the requested contact information

Applicants will be contacted by an account executive to discuss our requirements and expectations. If there is a mutual understanding that the requirements and expectations can be met, correspondent partner should complete "Correspondent Package". The completed application along with the requested supporting documents should be returned via e-email to the account executive directly for their review.



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Applications for approval as Delegated Correspondent must provide the below documentation for review:

	Complete Correspondent Package – Complete and sign the Application and Agreement. Agreement must be fully executed, with no changes, and dated. (If attaching exhibits rather than filling in the blanks on the application, please reference these exhibits in the appropriate sections of the application)
	Copies of recent investor approvals and most recent score cards.
	Articles of Incorporation/Organization or Operating Agreement – Include copies of your current articles of incorporation, organization, or operating agreement.
	A list of the Appraisal Management Companies utilized, on your company letterhead.
	MERS approval and corresponding MIN number.
	Appraisal Process – include a copy of your appraisal ordering process and Appraisal Internal Review policy.
	Affiliated Businesses – Complete the Affiliated Business Disclosure and return with the application.
	Certification, on company letterhead and signed by an authorized signer, that all employees have received BSA and AML training within the past 12 months.
	2 years of audited financial statements, certified by a Principal, the Chief Financial Officer, or a CPA. Minimum net worth of \$250,000 is required. Tax returns are not a valid substitute.
	Errors & Omissions and Fidelity Bond Insurance – Please provide a photocopy of the policy or bond declaration page. Include the name, address and phone number of the issuing insurance company and your agent.
	Organization Chart – include a current organizational chart for your company.
	Resumes for Owners, Principals and Key Employees - Please provide a resume for each principal owner, majority stockholder (persons with 10% or more of the corporate stock issued) and key staff members whose experience and knowledge is relied upon to run daily operations of your loan brokerage business.
	W-9 Request for Taxpayer ID Number – Complete the W-9 (latest version) with all required information, wet sign, and indicate how the company is taxed by the IRS (Corporation/S- Corp/Sole Proprietorship/Partnership).
	Warehouse Bank(s) – Provide the names and contact information for your warehouse bank(s) on your company letterhead. Also, provide certification from your warehouse bank(s) that they will und all non-agency loans/programs underwritten by A&D Mortgage LLC.
	E&O Policy and Fidelity Bond with a minimum of \$300,000 in coverage each.
	Zero Fraud Policy
	Quality Control Plan and the most recent Quality Control Report
	Wiring Instructions – include wiring instructions for loan purchase on your letterhead.
	Miscellaneous Documents – executed power of attorney.
	Miscellaneous Documents – include a copy of your d.b.a. filing, if applicable.

### 3. Seller Responsibility

#### **MAINTAINING ELIGIBILITY**

Once approved to be a Seller to A&D Mortgage, Sellers must continue to meet the eligibility requirements herein to maintain its eligibility and approval to participate.

#### **NOTIFICATION OF SIGNIFICANT CHANGES**

Seller must provide written notice of any contemplated change in its organization, including copies of any filings with, or approvals from its regulators. A&D Mortgage requires written notice immediately but no later than seven (7) calendar days after the finalization of significant changes relating to the Seller that include, but is not limited to:

- Any mergers, consolidations or reorganizations;
- Any direct or indirect material change in ownership; an indirect change in ownership includes any change in the ownership of the Seller's parent, any owner of the parent, or any beneficial owner of the Seller that does not own a direct interest in the Seller;
  - Any change in corporate name;
  - Any change from a federal charter to a state charter (or vice versa) if the Seller is a Savings and Loans Association or a Bank;
  - Material adverse change in financial condition;
  - Any change in authority evidenced by the Corporate Resolution or in banking relationships including warehouse lines of credit/wire instructions;
  - Any change in Agency approval;
  - Any change in fiscal year end date;
- Any change in management or key personnel or persons who oversee key Seller departments;
  - Addition or closure of a branch;
  - Use of a new or different fictitious name;
  - Any change regarding registration or licensure of a fictitious name.

#### **GOOD STANDING**

All approved Sellers must remain in "Good Standing" with A&D Mortgage to maintain eligibility to sell loans. Failure to remain in Good Standing could result in A&D Mortgage's termination of the Agreement with cause. To remain an approved Seller in Good Standing the Seller must:

- Actively participate in the products and programs described in the Seller Guide;
- Be in full compliance with all terms of the Agreements and this Seller Guide, which is a contractual document by reference in the Agreements;
- Complete and submit within required timeframes all requested documents as part of the Annual Recertification process.

Failure to provide the updated information is cause for termination. Updated information requirements include, but are not limited to:

- Most current updated financial statements;
- Copies of renewed/updated Fidelity Bond and E&O Insurance;
- Completion of the state licensing list with copies of the applicable current/updated state licenses.



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## **ANNUAL RECERTIFICATION**

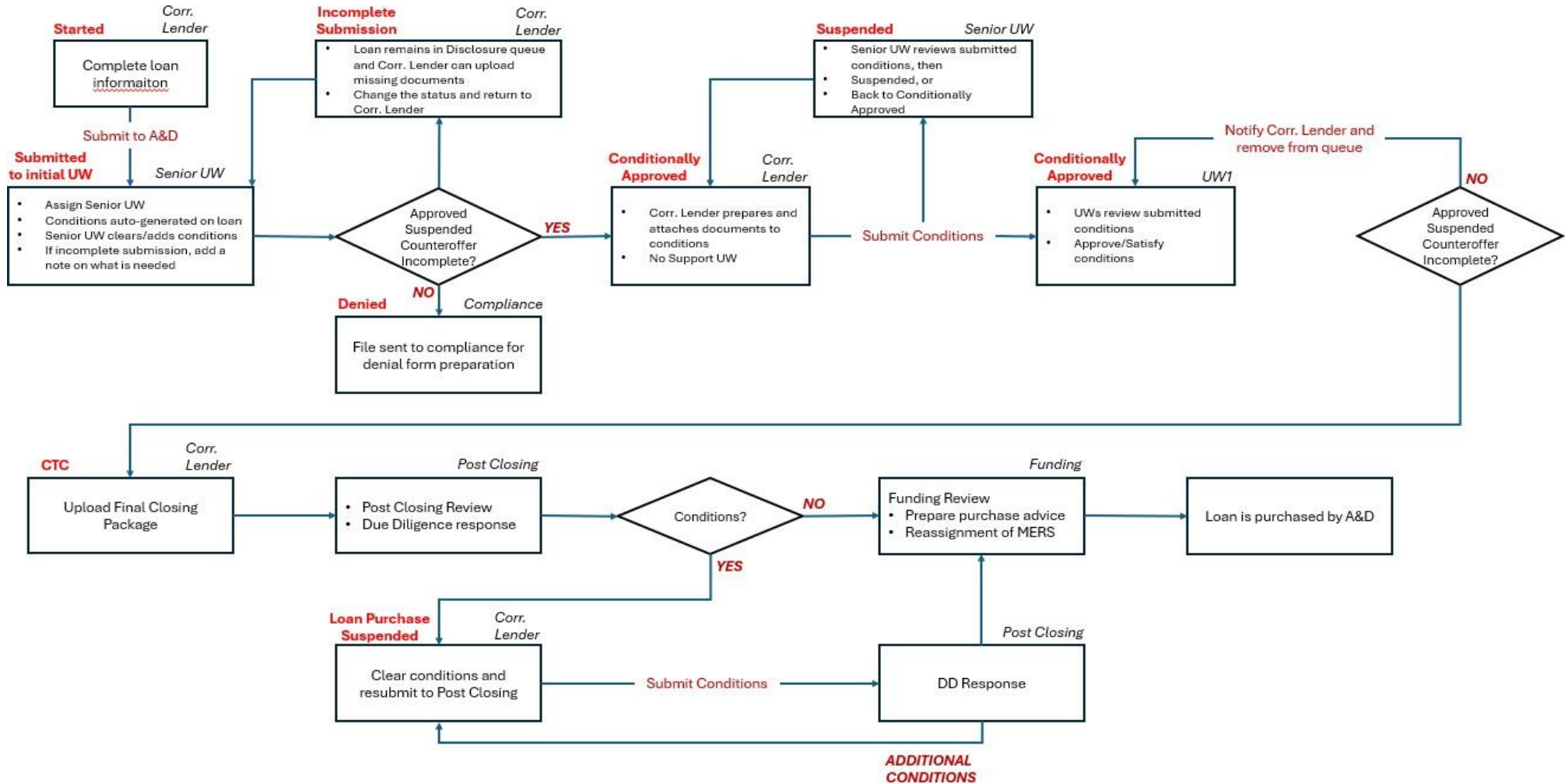
A&D Mortgage constantly monitors the performance of each Seller. In addition to performance monitoring, A&D Mortgage will perform a comprehensive review of each Seller's financial, industry, credit and overall performance on an annual basis.

Within 60-days of request for Annual Renewal information, Seller must submit to A&D Mortgage the following documentation:

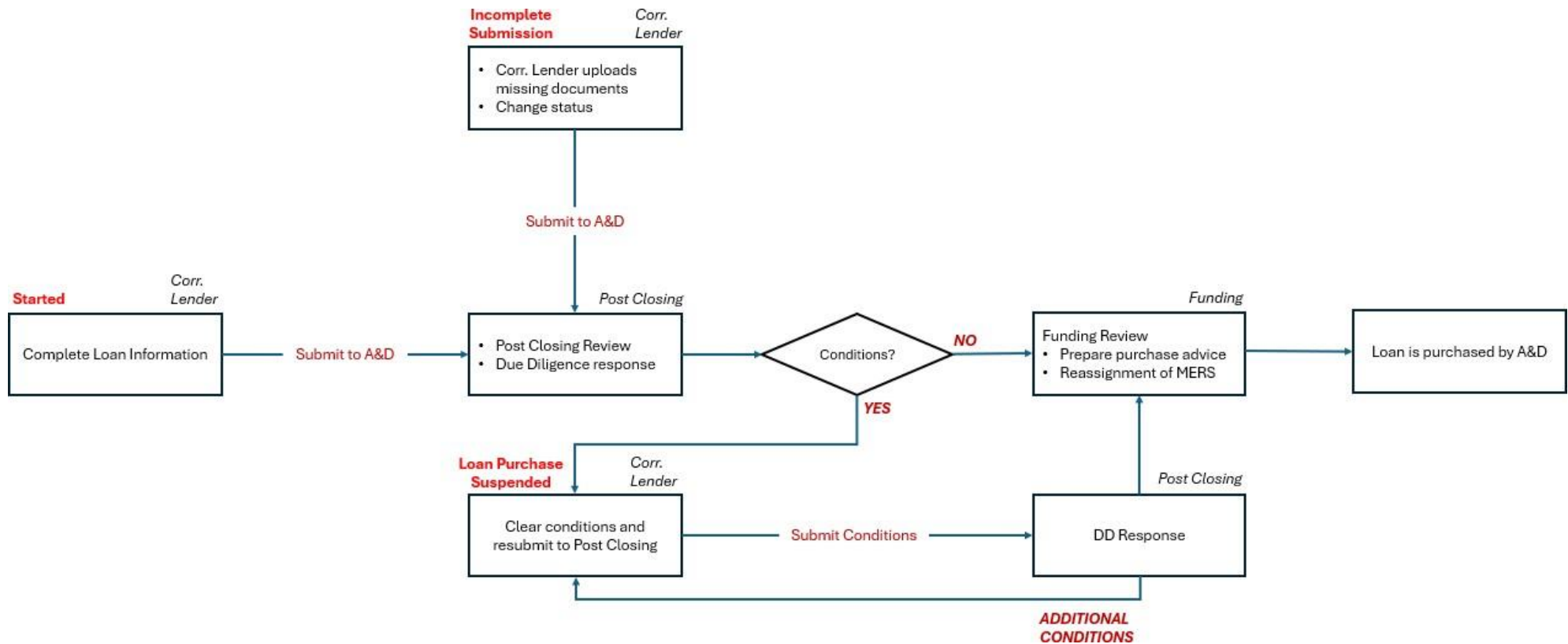
- Audited Financial Statements with all appropriate Schedules and Attachments;
- Current unaudited financial statements no older than four (4) months;
- Updated/Current organization Chart.
- Resumes on any new management position changes since last approval.
- Copy of two most recent QC reports.
- Copy of renewal of Mortgage's Bond and E&O Insurance.
- Copy of any Investor scorecards.
- Any other additional certifications or information requested by A&D Mortgage.

## 4. Process workflow

### NON-DELEGATED



## FULLY DELEGATED



## **5. Lock Policy**

When Sellers lock a loan with A&D Mortgage, the interest rate, pricing, and terms are protected through lock expiration. Sellers are required to deliver a complete closed loan package before the expiration of the rate lock. This includes the three day right of rescission required on refinance transactions. Any loan that closes or disburses after the expiration date may be subject to a relock at worse-case pricing.

A&D Mortgage offers best efforts locks and provides interest rate protection for the purpose of pricing a mortgage application for the borrowers. Once Sellers lock a loan with A&D Mortgage, they are obligated to make the best professional effort to close the loan. Once a loan is closed under A&D Mortgage best efforts lock program, delivery becomes mandatory.

### **5.1 Rate Locks**

Sellers register and lock loans in the A&D Mortgage Portal. Rate locks are priced based on the rates in effect at the time a lock is confirmed. The system displays the confirmed lock, which may be printed or downloaded. Sellers must review the confirmation upon receipt and contact the Lock Desk regarding any discrepancies. All rate locks are borrower and property specific. A loan may be locked at any point in the loan process.

The rate sheets published on weekly basis are only indications. Market conditions are volatile and may cause intraday rate/price changes. Pricing is subject to change without notice due to market conditions or technical issues. No promises or guarantees concerning pricing and rates shall be communicated to a Correspondent prior to a Rate Lock Confirmation received from the Lock Desk or Secondary Marketing.

A lock is an agreement between the Correspondent and A&D Mortgage. It stipulates the specific number of days A&D Mortgage guarantees the rate/price. If interest rates rise during the stipulated lock period, A&D Mortgage is committed to honor the original rate/price. If interest rates decline during the stipulated lock period, the Correspondent must honor the original rate/price. Although a loan may be locked, there is no guarantee that the borrower will be qualified for the loan, that is, the loan is subject to A&D Mortgage underwriting approval and other eligibility requirements not assessed at the time of lock.

Each business day, rates will be available by approximately 9:30 a.m. Eastern Time. In volatile markets, prices may be released later. Rate locks are available from the time pricing is released each morning until 5:00 p.m. Eastern Time. The Lock Desk is available to provide assistance on rate-lock related issues from 9:00 a.m. to 5:00 p.m. Eastern Time.

### **5.2 Lock Extensions**

In the event a lock cannot close within the expected original time frame, rate locks can be extended. These extensions cause additional hedging costs that must be passed onto the customer. In addition, an extension **MUST** be requested by the MLO with the Lock Desk





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BEFORE the original lock has expired. Lock Change Request must be done through online form: <https://admortgage.com/lock-change-request-form/>.

The following extension options and fees are:

All extensions include weekends and holidays.

1. The first extension is 2.5 bps per day.
2. The second extension is 5 bps per day.
3. The third extension is 7.5 bps per day.

For all programs the minimum period of extension is 3 days (costs are subject to change).

1. First extension estimates: 7 days = 17.5 bps; 15 days = 37.5 bps; 30 days = 75 bps.
2. Second extension estimates: 7 days = 35 bps; 15 days = 75 bps; 30 days = 150 bps.
3. Third extension estimates: 7 days = 52.5 bps; 15 days = 112.5 bps; 30 days = 225 bps.

Loans may be extended maximum three times (two times for Prime Jumbo) but no more than 30 days beyond the original lock expiration date at regular pricing described above. Should a loan that has been already extended for 30 days need another extension, A&D Mortgage will relock it and a worst-case pricing will be applied (please, refer to Re-locks and Renegotiations, page 5 of Lock Policy).

Should a loan, that has been already extended for 3 times (for 2 times for Prime Jumbo), need a 4th extension (3rd extension for Prime Jumbo), AD Mortgage will relock it and a worst-case pricing will be applied (please, refer to Re-locks and Renegotiations, page 5 of Lock Policy).

The extension request for an expiring loan must be submitted prior to the loan expiration date. The loan must be in the underwriting stage or approved by the underwriting to be eligible for an extension. The waiver of extension fees is treated as a renegotiation and requires management approval, as the cost will be borne by the company. Lock extensions expiring on a weekend do NOT automatically roll over till Monday or the next working day and must be extended on the business day prior to the weekend.

### **5.3 Relock**

A relock of a loan may be required for a variety of reasons therefore should be treated on a case-by-case basis. If it is to retain a client that may leave for a better rate, it may be less costly to offer a renegotiation than to lose the loan. This will result in less profit to the company.

If:

1. A loan was not extended prior to lock expiration
2. The lock has already been extended 3 times and needs a 4<sup>th</sup> extension (extended 2 times and needs a 3rd extension for Prime Jumbo)
3. The lock has already been extended for 30 days and needs another extension, it will be subject to current market or the original lock price, whichever is worse, plus relock fee.

If Non-QM eligibility limitations and guidelines have changed since the initial locked date and the loan needs to be relocked, it must meet updated guidelines and follow eligibility matrix as of



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relock request date. Relock fee is 25 bps for 15 days and 37.5 bps for 30 days. All previously applied extension fees and LLPAs will remain in place. Loans that have been expired from the hedge for greater than 30 days (60 days for Jumbo) will be permitted to relock at a current market price.

Relock fee is 25 bps for 15 days and 37.5 bps for 30 days. All previously applied extension fees and LLPAs will remain in place. Loans that have been expired from the hedge for greater than 30 days (60 days for Jumbo) will be permitted to relock at a current market price. If the reason is a product change, then the decision will vary based on the pool in which it was originally placed. It will be either subject to the original lock date pricing or treated as regular re-lock (current market, plus a relock fee).

The product type (e.g. 30yr Fixed Rate - 60 Days) will not update based on the selected re-lock term. Worst-case pricing will be calculated using the new lock period (15 or 30 days).

#### **Method of calculation for worst-case pricing:**

Worst case pricing is determined by comparing locked Base Price + currently locked LLPAs on the loan from initial rate sheet versus current market Base Price + new LLPAs for the same parameters from the most recent rate sheet (for the time relock/extension request was submitted through a Lock Change Request form). The lowest price between the two is considered a worst-case price and is applied to the loan while relocking.

If loan parameters were changed, the loan will be repriced using the original lock date rate sheet. Then its final price will be compared to the current market Base Price + LLPAs. Extensions, previous relocks and other additional charges, aside from rate sheets, remain in place after relocking. 4. In volatile conditions, if initially locked interest rate is not available at the time relock request was submitted, interest rate must be increased on the loan.

#### **5.4 Pair off fee**

Price Adjustment = Maximum of 0 or [Current Price - (Price at Lock + Extension Fees + Roll Fees + Delayed Purchase Fees)]

Pair-off Fee = (Price Adjustment + Pair-off Penalty Fee) \* Loan Amount.

The penalty fee amount is 50 basis points (50 bps) of the unpaid principal balance, for Mortgage Loans that were subject to a Lock Confirmation and were closed, but were not delivered to A&D Mortgage.

## 6. Pre-Close Process/Post-Close Review

Seller is responsible for uploading a fully underwritten loan package to A&D Mortgage portal. After submission Seller will receive communication identifying any core documents that are missing or program variances. Note: Sellers must be certain the file is fully processed and documented before submitting the file for pre-close eligibility review. A separate (new) loan package and tape is required to be delivered for Post Close review if the Pre-close review was utilized. A full package includes the following imaged documents (preferably in the order provided):

- Copy of Loan Estimate
- Rate Lock Disclosure
- 1003
- 1008 and/or Seller U/W approval worksheet
- Credit Report and any explanations
- Mortgage &/or rental verification with payment history if not on credit report
- Employment/Income Documents
- Income Calculation Worksheet
- Asset Documents
- Purchase contracts and any applicable addendums, if applicable
- Preliminary Title
- Disclosures
- Occupancy Certification
- Appraisal
- Appraisal Desk Review
- Evidence Loan is not Agency Eligible (to the extent required by applicable program guidelines)
- Loan Guaranty
- Compliance report
- TRID documents, if applicable
- COCs, if applicable
- EMD
- UCD Findings Report for CONV DU files
- LCA (Loan Closing Advisor) Report for CONV LP files.
- Final Signed closing package
- Amortization Schedule (the part of the signed closing package)
- Evidence of MERS registration (or Assignment of Mortgage from Lender to MERS, in case the CORR Lender is not registered with the MERS)
- SSR forms
- All applicable borrower's identification documents (DL / SSC / EAD / I-797 / Passport/ Green card)
- Current Insurance policy
- Property Tax Certificate

Once a full package has been received and reviewed by the diligence firm, the Seller will receive



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communication of either missing items or that the file is consistent with A&D Mortgage underwriting guidelines.

Credit Package review by the due diligence provider might take up to 3 business days from the moment it was uploaded to the system. The same loan status will be retained until occurred conditions posted.

All correspondent loans (correspondent, correspondent plus and delegated) are subject to mandatory collateral desk review.

All correspondent loans (correspondent, correspondent plus and delegated) are subject to mandatory internal value review and may be rejected by A&D Mortgage in a case A&D's collateral desk & Credit Committee find the appraised value to be invalid.

Properties for loans originated 90+ days before the lock date in AIM Partner Portal re subject to a mandatory exterior BPO, results of which may affect loan-level pricing, or lead to a decision for A&D not to purchase the loan.

## 7. Closing and Post-Closing Requirements

A&D Mortgage requires a review of the closed loan file prior to purchasing any loan. The review consists of two parts: the credit package is reviewed by a due diligence provider and the collateral is reviewed by a document custodian. Loan purchase occurs after the following:

- The credit package has been reviewed and any conditions have been cleared,
- All collateral documents have been reviewed and cleared,
- A review of escrow/impounds has been performed by A&D Mortgage and the current unpaid principal balance has been provided by the seller.

Upon completion of these three steps, a purchase advice will be generated and delivered to the seller. If outstanding conditions still exist (and are not provided) on the file in 2 business days after condition is posted, there is a fee of 60 bps per 30-days prorated.

### 7.1 Initial Collateral Document Delivery

Credit package submission to A&D Mortgage is a pre-requisite prior to shipping the original Note, Allonge, and supporting collateral file documents to the custodian. Collateral delivery to the custodian is due the next business day following credit package submission to A&D Mortgage, but no later than 3 days following lock expiration. Sellers who use a warehouse line for funding must arrange for prompt delivery of the original Note and Bailee Letter to the Custodian. Stacking Order for Initial Collateral Delivery:

- Bailee Letter (if applicable). If not, attach the wiring instructions.
- Original Note with an original signature (Facsimile signature not allowed)
- Original Addendum to Note (if applicable)
- Original Allonge from seller to A&D Mortgage LLC (see example: EXHIBIT A
- The Allonge to Note should contain at least the Note Date, Loan #, Borrower Name,



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Loan Amount, Property Address, and to be endorsed from/to

- Executed Power of Attorney (if applicable)
- Any Other Documents as May be Applicable, such as the Personal Guarantee

<b>Custodian – A&amp;D Mortgage LLC</b>
<i>Custodian Name &amp; Physical Address</i> A&D Mortgage LLC Attn: Collateral Department 899 W Cypress Creek Rd Ft Lauderdale, FL 33309

## **7.2 Final Pre-Purchase audit and PA release**

In order to avoid any delay with releasing PA, please make sure that all documents required in section 6, 7 and 7.1 were properly submitted. The funding department will audit the following documents:

1. Signed Final Closing Package to Include – Note, Prepayment Addendum (if applicable), Mortgage, signed Final CD, Final 1003, Amortization schedule. Note! The seller needs to separate the "Final Docs" from the "Credit Package".
2. Collateral package
3. MERS registration

## **7.3 Trailing Document Delivery**

Sellers are responsible for providing final original recorded documents and title policies, free of exceptions, to Custodian after the loan has been purchased. A&D Mortgage requires the submission of these documents in a timely manner, but no later than 90 days after purchase date. Monthly trailing document status reports will be provided to Sellers to aid in trailing document management and exception resolution. The following documents are required on all loans to be submitted as Trailing documents:

1. Recorded Security Instrument and all applicable riders
2. Title Policy, with all endorsements
3. Other documents as may be applicable, examples:
4. Recorded Power of Attorney
5. Recorded Intervening Assignment

Above mentioned original documents must be shipped by secured mail to: A&D Mortgage LLC  
Attn: Collateral Department 899 W Cypress Creek Rd Fort Lauderdale, FL 33309



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A&D Mortgage reserves the right to assess fees for documents not delivered to custodian, or document exceptions not resolved, within 90 days of the purchase date, per the Agreement. A&D Mortgage reserves the right to demand repurchase of the loan per the terms of the Purchase and Sale Agreement.

## 7.4 Post Purchase Adjustments

It is the Seller's responsibility to review the Purchase Advice as soon as possible to ensure the purchase is correct. Following the sale of a loan to A&D Mortgage, if there is a discrepancy between the loan data in the system and your loan records, a post-purchase adjustment may be required. To initiate a post-purchase adjustment for a whole loan, take these steps:

Step	Action
1	Research the discrepancy and request a post-purchase adjustment via e-mail to the A&D Mortgage Lock Desk. Requests exceeding 90 days will not be considered for post-purchase pricing adjustments.
2	Assemble documentation to support the post-purchase adjustment. Documentation should include: <ul style="list-style-type: none"><li>• Detailed explanation of the discrepancy and the corrective action requested</li><li>• Copy of the funding notification ('purchase advice')</li><li>• Additional documentation supporting your request, as applicable (i.e., HUD-1, etc.)</li></ul>
3	Securely submit the request form and supporting documentation to <a href="mailto:secondary@admortgage.com">secondary@admortgage.com</a> . A&D Mortgage will research the request and provide a response within one business week of receipt.

## 8. Servicing transfer responsibilities

### 8.1 Interim Servicing Responsibilities

Loans sold to A&D Mortgage LLC (Purchaser), require that the Seller sub-service the loans for an interim period prior to the Servicing Transfer. The Seller shall service and administer the Mortgage Loans on behalf of the Purchaser from the purchase date until the designated Servicing Transfer Date, as specified by A&D Mortgage. The interim servicing obligations of the Seller shall include payment collection and escrow disbursements as well as responding to servicing related inquiries from the borrower during the interim servicing period.

### 8.2 Servicing Transfer Timeline

If the Seller is the servicer of record at closing, all loans must be transferred to A&D Mortgage according to the following schedule as defined below:

- Loan purchased on or before the 10th of the current month 1st of the next month
- Loan purchased after the 10th of the current month – 1st of the month following next month



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### 8.3 Notification of Transfer of Servicing

A Goodbye Letter must be mailed to the borrower(s) no later than 15 days prior to the Servicing Transfer Date in compliance with RESPA guidelines. Sellers should use the CFPB endorsed Notice of Servicing Transfer format.

A&D Mortgage will prepare and send a Welcome Letter. A sample is available upon request. The Welcome Letter will be mailed to the borrower(s) no later than 15 days after the Servicing Transfer Date in compliance with RESPA guidelines.

#### New Servicer Information

**Customer Service** A&D Mortgage LLC, Servicing Department  
899 W Cypress Creek Rd Fort Lauderdale,  
FL 33309 Toll-Free: 1-855-ADLOANS  
[www.admortgage.com](http://www.admortgage.com)  
Monday-Friday: 9:00 AM to 6:00 PM (EST)

[servicing@admortgage.com](mailto:servicing@admortgage.com)

**Borrower Payments**

[payoff@admortgage.com](mailto:payoff@admortgage.com)

**Pay Off Requests**

[lossmitigation@admortgage.com](mailto:lossmitigation@admortgage.com)

**Loss Mitigation**

**Insurance Contact  
Info**

[insurance@admortgage.com](mailto:insurance@admortgage.com)

**Mortgagee Clause**

A&D Mortgage, LLC ISAOA / ATIMA  
899 W Cypress Creek Rd, Fort Lauderdale,  
FL 33309

1007430

**MERS ORG ID**

**Wiring Instructions**

Name on Account: A&D Mortgage LLC Bank:  
Texas Capital Bank  
Account #:1211116742 Routing#:111017979  
Ref: Your company name, loan  
number, borrower name

### 8.4 Payments

The Seller is responsible to collect any payments due to them in the interim servicing period.





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Sellers must self-report to A&D Mortgage if they did not collect any payments due to them prior to the Servicing Transfer Date. Sellers must notify the A&D Mortgage Servicing Team at [servicing@admortgage.com](mailto:servicing@admortgage.com) no later than 5 days after the transfer date.

Sellers that receive a payment due to them after the transfer date must forward the payment on to A&D Mortgage within 48 hours. A&D Mortgage will reimburse the Seller for any forwarded payments that were due to the Seller prior to the transfer date via a funding adjustment

### **8.5 Escrow Funds and Escrow Disbursement Requirements**

Escrow funds will be netted by A&D at the time of purchase. The Seller is responsible to pay all taxes and insurance due prior to the transfer as well as those due during a period of thirty (30) days following the transfer date. Seller will be responsible to take advantage of any early payment discounts. Failure to take advantage of an available discount may result in a reimbursement due to the new Servicer.

A&D recommends that the Seller pay at closing any tax or insurance due within 60 days of the closing date to insure no lapse in payment. If a tax bill or hazard renewal is not available at closing, but is due within 60 days of closing, the Seller should insure adequate escrow deposit is collected at closing. If any tax or insurance disbursements are due within sixty (60) days of the closing date, the Seller will provide an escrow open items report to A&D Mortgage.

The Seller will be responsible for the payment of any and all penalty and/or interest assessed as a result of delinquent payment of tax or insurance items due and payable prior to and including thirty (30) days post transfer date. The Seller will also be responsible for the payment of any and all penalty and/or interest assessed as a result of the Seller's failure to forward tax or insurance bills to A&D Mortgage as required below. Tax or insurance penalties incurred by A&D Mortgage due to the Seller not paying within 30 days of the transfer date may be billed back to the Seller.

If Force Placed Insurance is in effect, Seller will provide an electronic report of Force Placed Insurance including the amount and date of the last disbursement. Seller will confirm it will be cancelled on the transfer date. Seller will provide the date of the anticipated refund and advise how it will be provided to A&D Mortgage.

### **8.6 Mortgagee Change Requirement**

The Seller will prepare and mail a Change of Mortgagee Notice to each of the following:

- Hazard insurance payee
- Flood insurance payee
- Taxing authority, or the Seller's tax service vendor Mortgagee Clause information:

A&D MORTGAGE LLC ISAOA/ATIMA

899 W CYPRESS CREEK RD, FORT LAUDERDALE, FL 33309



## 9. MERS Registration and Transfer

The Seller must properly register the loan on the MERS system at least 24 hours prior to A&D Mortgage purchase and provide a copy of the mortgage loan registration screen in the closed loan package. Seller is responsible for initiating the MERS® Transfer of Rights, within 5 calendar days of Transfer date (aka purchase settlement), as follows:

- Investor: 1007430
- Servicer: 1007430

Only loans closed on MERS as Original Mortgagee MOM security instruments are eligible for purchase by A&D Mortgage. Assignments to MERS® are not eligible.

## 10. Compliance

### 10.1 Quality control

A&D Mortgage applies its Quality Control Policy and Procedures to loans originated by Sellers, and reports findings as appropriate to Sellers for their use in prevention of similar occurrences. A&D Mortgage requires that Sellers have in place and utilize Quality Control Policies and Procedures and perform regular reviews to ensure the quality of loans submitted to A&D Mortgage for underwriting and purchase.

If any irregularities or discrepancies are discovered during A&D Mortgage routine review, A&D Mortgage expands the scope of the quality control reviews on Seller's loans to ensure all problem areas are identified.

A&D Mortgage provides monthly reports to Sellers. Sellers are required to respond to any findings of moderate risk or greater or to any indications of trends toward risk findings. Sellers must investigate and respond with their results and what actions are taken to correct the situations. Serious issues with quality and/or material findings trends or failure to respond to the report findings can result in termination of the Seller's approval with A&D Mortgage.

### 10.2 Repurchases

The repurchase price for Loans subject to a Repurchase Obligation pursuant to the Agreement shall be as follows, unless otherwise determined by A&D Mortgage:

1. The original purchase price of such Loan, less principal reduction since the original purchase of the Loan by A&D Mortgage; plus

All interest accrued but unpaid on the principal balance of the Loan from the paid-to-date of the Loan through and including the last day of the month in which the repurchase is made; plus

2. All expenses, including but not limited to reasonable fees and expenses of counsel, incurred by A&D Mortgage in enforcing Seller's obligation to repurchase such Loan and/or



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resulting from any breaches of Seller's representations and warranties under this Agreement; plus

3. The original servicing release premium paid by A&D Mortgage with respect to such Loan; plus

4. Any unreimbursed advances of taxes, insurance or property preservation made by A&D Mortgage with regard to such Loan as of the date of repurchase; less

5. Any proceeds of mortgage insurance with respect to the Loan collected by A&D Mortgage. Upon any such repurchase of Loans by Seller, A&D Mortgage shall endorse the promissory note (without recourse) and shall assign any security interest (without recourse and in recordable form) to Seller.

If the Mortgaged Property securing the Loan has been acquired by A&D Mortgage by agreement with the owner thereof or by foreclosure to mitigate its loss then the repurchase price pursuant to the Agreement, notwithstanding the amount of A&D Mortgage credit bid, shall be:

1. The original purchase price of such Loan, less principal reduction since the original purchase of the Loan by A&D Mortgage; plus

2. All interest accrued but unpaid on the principal balance of the Loan from the paid-to-date of the Loan through and including the last day of the month in which the foreclosure sale occurs; plus

3. All costs and expenses, including but not limited to fees, costs, and expenses incurred by A&D Mortgage as owner of the property, reasonable fees, and expenses of counsel, incurred by A&D Mortgage in connection with the foreclosure or acquisition and in enforcing Seller's Repurchase Obligations hereunder and/or resulting from any breaches of Seller's representations and warranties under this Agreement; plus

4. The original servicing release premium paid by A&D Mortgage with regard to such Loan; plus

5. Any unreimbursed advances of taxes, insurance or property preservation made by A&D Mortgage regarding such Loan as of the date of repurchase; plus

6. Interest on the amounts set forth in paragraphs (1) through (5) above at the Loan rate from the end of the month in which the foreclosure sale occurred until and including the date of repurchase by Seller; less

7. Any proceeds of mortgage insurance collected by A&D Mortgage with respect to the Loan.

If the Mortgaged Property security for the Loan has been sold at foreclosure and purchased by a third party, the amount Seller shall pay A&D Mortgage to fulfill its Repurchase Obligation pursuant the Agreement shall be as follows:

1. The original purchase price of such Loan, less principal reduction since the original purchase of the Loan by A&D Mortgage; plus

2. All interest accrued but unpaid on the principal balance of the Loan from the paid-to-date of the Loan through and including the last day of the month in which the foreclosure sale occurs; plus

3. All costs and expenses, including but not limited to reasonable fees and expenses of counsel, incurred by A&D Mortgage in enforcing Seller's Repurchase Obligations hereunder and/or resulting from any breaches of Seller's representations and warranties under this Agreement; plus



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4. The original servicing release premium paid by A&D Mortgage with regard to such Loan; plus
5. Any unreimbursed advances of taxes or insurance made by A&D Mortgage with regard to such Loan as of the date of repurchase; plus
6. Interest on the amounts set forth in paragraphs (1) through (5) above at the Loan rate from the end of the month in which the foreclosure sale occurred until and including the date of repurchase by Seller, less
7. The net proceeds of the foreclosure sale (sale price minus costs and expenses, including but not limited to reasonable fees and expenses of counsel, incurred by A&D Mortgage in connection with the foreclosure sale); less
8. Any proceeds of mortgage insurance collected by A&D Mortgage in connection with the Loan.

## **11. Bid pricing and general fees**

### **Correspondent Loans**

Underwriting (Admin) Fee - \$995 (Non-QM/Jumbo)  
Underwriting (Admin) Fee - \$695 (Conv/FHA/2<sup>nd</sup> lien)

### **Correspondent Plus**

Underwriting (Admin) Fee - \$1595 (Non-QM/Jumbo)  
Underwriting (Admin) Fee - \$1195 (Conv/FHA/2<sup>nd</sup> lien)  
Tax-Related Service Fee - \$80  
Electronic Delivery fee: \$29  
Flood Fee - \$6.95

### **Delegated Loans**

Delivery Fee – \$595  
UW fee - \$595 (Non-QM/Jumbo/2<sup>nd</sup> lien)

MERS Fee - \$24.95\*

\*(applies only if the loan has not been registered with MERS by the seller)

Above-mentioned fees are applied to bulk trades with a total unpaid principal balance less than 10,000,000 USD.

For trades higher than 10,000,000 USD these fees may be reduced.

Bid is considered committed, and price is fixed as soon as LOI is signed by both parties. Signed LOI must be returned before 4PM, otherwise loans are subject for repricing. LOI requests made before 3 PM will be processed the same day, requests made after 3 PM are subject to roll to the next day, and are subject for a repricing in case of market movement.

## Exhibit - A

### ALLONGE TO THE PROMISSORY NOTE

NOTE DATE:

LOAN NUMBER:

LOAN AMOUNT:

BORROWER(s):

SUBJECT PROPERTY

ADDRESS:

WITHOUT RECOURSE, PAY TO THE ORDER OF:

A&D Mortgage LLC

FROM:

BY: NAME:

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TITLE:

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Allonge to Note