

MWF Wholesale Broker Agreement Webpage URL

URL: <http://mwfwholesale.com/dmdocuments/files/BrokerAgreement.pdf>

Effective Date 05/28/2019

The below terms are incorporated by reference into the Wholesale Broker Agreement:

Per the section entitled “Early Prepayment and Early Default” of the Broker Banker Agreement, which incorporates the terms disclosed on this webpage, if any loan submitted by Broker to MWF is prepaid or becomes delinquent, the broker shall be bound by the following terms and conditions:

Early Pay Off: If any loans submitted by Broker to MWF are prepaid in full before the receipt by MWF or its successor of six (6) scheduled monthly payments will be defined as an “Early Pay Off” (“EPO”), and then Broker shall promptly refund to MWF, upon demand thereof, the sum of (i) all compensation received by Broker in connection with such loan; or, (ii) 1% of the original principal balance of the loan, whichever is greater. The obligations of Broker set forth in this paragraph shall be absolute regardless of the party that is involved in the subsequent transaction resulting in the EPO.

Early Payment Default: An Early Payment Default (EPD) occurs when any of the first six (6) payments due becomes sixty (60) days or more delinquent. Broker understands and agrees that in the event of an EPD, MWF may require the Broker to repurchase the mortgage loan at the repurchase price set forth in the Agreement. MWF may, at its sole discretion, offer other options to Broker including financial indemnity of MWF and/or payment or repayment by Broker of a servicing administration fee not to exceed three thousand five hundred dollars (\$3,500) to compensate MWF for expenses incurred in connection with the EPD, plus the greater of (i) all compensation received by Broker in connection with such loan; or, (ii) 1% of the original principal balance of the loan.^[SA1]

Mortgage Loan Level Representations and Warranties

Per the section entitled “Representations, Warranties and Covenants” of the Broker Banker Agreement or Broker Agreement, as applicable, which incorporates the terms disclosed on this webpage, if any mortgage loan submitted by Broker to MWF breaches any of the following mortgage loan level representations and warranties, the broker shall repurchase such mortgage loan in breach of any one of these representations and warranties at the repurchase price and upon the terms and conditions set forth in the Broker Banker Agreement or Broker Agreement, as applicable:

- (a) Payments Current. The first monthly payment shall be made, or shall have been made, with respect to the mortgage loan on its due date or within the grace period, all in accordance with the terms of the related mortgage note.
- (b) No Broker Advances. Broker has not advanced funds, or induced, solicited or knowingly received any advance of funds by a party other than the borrower, directly or indirectly, for the payment of any amount required under the mortgage loan, except for interest accruing from the date of the mortgage note or date of disbursement of the proceeds of the mortgage loan, whichever is

earlier, to the day which precedes by one month the due date of the first installment of principal and/or interest thereunder.

(c) No Defenses. The mortgage loan is not subject to any right of rescission, set off, counterclaim or defense, including, without limitation, the defense of usury, nor will the operation of any of the terms of the 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 and no such right of rescission, set off, counterclaim or defense has been asserted with respect thereto, and no borrower in respect of the mortgage loan was a debtor in any state or federal bankruptcy or insolvency proceeding at the time the mortgage loan was originated. Borrower did not have a prior bankruptcy. Borrower did not previously own property that was the subject of a foreclosure during the time the borrower was the owner of record. Broker has no knowledge nor has it received any notice that any borrower in respect of the mortgage loan is a debtor in any state or federal bankruptcy or insolvency proceeding. Broker has no knowledge of any circumstances or condition with respect to the mortgage, the mortgaged property, the borrower or the borrower's credit standing that could reasonably be expected to cause investors to regard the mortgage loan as an unacceptable investment, cause the mortgage loan to become delinquent or materially adversely affect the value or marketability of the mortgage loan.

(d) Hazard Insurance. The mortgaged property is insured by a fire and extended perils insurance policy, issued by a qualified insurer, and such other hazards as are customary in the area where the mortgaged property is located, and to the extent required by MWF as of the date of origination consistent with the Guides, against earthquake and other risks insured against by persons operating like properties in the locality of the mortgaged property, in an amount not less than the greatest of (i) 100% of the replacement cost of all improvements to the mortgaged property, (ii) the outstanding principal balance of the mortgage loan, or (iii) the amount necessary to avoid the operation of any co insurance provisions with respect to the mortgaged property, and consistent with the amount that would have been required as of the date of origination in accordance with the Guides. All premiums on such insurance policy have been paid. Broker has not engaged in, and has no knowledge of the borrower's having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for herein, or the validity and binding effect of either 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, and no such unlawful items have been received, retained or realized by Broker.

(e) Environmental Compliance. There does not exist on the 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 applicable federal, state or local environmental laws including, without limitation, asbestos, in each case in excess of the permitted limits and allowances set forth in such environmental laws to the extent such laws are applicable to the mortgaged property. 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 applicable environmental law (including, without limitation, asbestos), rule or regulation with respect to the mortgaged property; and nothing further remains to be done to satisfy in full all requirements of each such law, rule or regulation constituting a prerequisite to use and enjoyment of said property.

(f) Compliance with Applicable Laws. Any and all requirements of any federal, state or local law, rule and regulation, including, without limitation, usury, truth in lending, real estate settlement procedures, consumer credit protection, equal credit opportunity or disclosure laws applicable to the mortgage loan have been complied with, the consummation of the transactions contemplated hereby will not involve the violation of any such laws or regulations, and Broker shall maintain or shall cause its agent to maintain in its possession, available for the inspection by MWF, and shall deliver to MWF, upon demand, evidence of compliance with all such requirements. Broker shall strictly comply with all applicable laws, rules and regulations relating to the origination of mortgage loans, including without limitation, any and all laws, rules and regulations prohibiting predatory lending, lending discrimination, and unfair or deceptive practices. As of October 3rd, 2015 and on all dates thereafter, Broker shall strictly comply with TILA-RESPA Integrated Disclosure rule (“TRID”) amending both Regulation Z and Regulation X as well as all promulgated rules and regulations relating thereto.”

(g) No waiver of Mortgage. Broker has not waived the performance by the borrower of any action, if the borrower’s failure to perform such action would cause the mortgage loan to be in default, nor has Broker waived any default resulting from any action or inaction by the borrower.

(h) Location and Type of mortgaged property. The mortgaged property consists of a single parcel of real property with a detached single family residence erected thereon, or a two to four family dwelling, or an individual condominium unit in a low rise co-op project, or an individual unit in a planned unit development or a de minimis planned unit development; provided, however, that any condominium unit, co-op unit, high rise condo or co-op, or planned unit development shall conform with the applicable Fannie Mae, Freddie Mac, FHA, VA or USDA requirements regarding such dwellings or shall conform to underwriting guidelines acceptable to MWF in its sole discretion and that no residence or dwelling is a mobile home. No portion of the mortgaged property is used for commercial purposes; provided, that, the mortgaged property may be a mixed use property if such mortgaged property conforms to underwriting guidelines acceptable to MWF in its sole discretion.

(i) No Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to a mortgage loan has taken place on the part of any Person, including, without limitation, the borrower, any appraiser, any builder or developer, or any other party involved in the origination of the mortgage loan. Broker has reviewed all of the documents constituting the mortgage file and has made such inquiries as it deems necessary to make and confirm the accuracy of the representations set forth herein.

(j) Full Disbursement of Proceeds. All costs, fees and expenses incurred in making or closing the mortgage loan and the recording of the mortgage were paid, and the borrower is not entitled to any refund of any amounts paid or due under the mortgage note or mortgage. All broker fees have been properly assessed to the borrower and no claims will arise as to broker fees that are double charged and for which the borrower would be entitled to reimbursement.

(k) Doing Business. All parties which have had any interest in the mortgage loan, whether as mortgagee, assignee, pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were) (i) in compliance with any and all applicable licensing requirements of the laws of the state wherein the mortgaged property is located, and (ii) either (A) organized under the laws of such state, (B) qualified to do business in such state, (C) a federal savings and loan association, a

savings bank or a national bank having a principal office in such state, or (D) not doing business in such state.

(l) Title Insurance. Broker, has not done, by act or omission, anything which would impair the coverage of such lender's title insurance policy, 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 Broker.

(m) No Mechanics' Liens. There are no mechanics' or similar liens or claims which have been filed for work, labor or material (and no rights are outstanding that under the law could give rise to such liens) affecting the mortgaged property which are or may be liens prior to, or equal or coordinate with, the lien of the mortgage.

(n) Occupancy of the mortgaged property. As of the origination date the mortgaged property is lawfully occupied under applicable law. All inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the mortgaged property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities. Broker has not received notification from any governmental authority that the mortgaged property is in non compliance with such laws or regulations, is being used, operated or occupied unlawfully or has failed to have or obtain such inspection, licenses or certificates, as the case may be. Broker has not received notice of any violation or failure to conform with any such law, ordinance, regulation, standard, license or certificate. With respect to any mortgage loan originated with an "owner occupied" mortgaged property, the borrower represented at the time of application and origination of the mortgage loan that the borrower would occupy the mortgaged property as the borrower's primary residence.

(o) No Condemnation Proceeding. There have not been any condemnation proceedings with respect to the mortgaged property and Broker has no knowledge of any such proceedings.

(p) Business Practices of Broker. The origination and collection practices used by the Broker with respect to the mortgage loan have been in all respects in compliance with applicable laws, rules, and regulations, and have been in all respects legal and proper.

(q) Other Insurance Policies. No action, inaction or event has occurred and no state of facts exists or has existed that has resulted or will result in the exclusion from, denial of, or defense to coverage under any applicable special hazard insurance policy, PMI insurance policy or bankruptcy bond, irrespective of the cause of such failure of coverage. In connection with the placement of any such insurance, no commission, fee, or other compensation has been or will be received by Broker or by any officer, director, or employee of Broker or any designee of Broker or any corporation in which Broker or any officer, director, or employee had a financial interest at the time of placement of such insurance.

(r) Servicemembers Civil Relief Act. The borrower has not notified Broker, and Broker has no knowledge, of any relief requested or allowed to the borrower under the Servicemembers Civil Relief Act of 2003.

(s) Appraisal. If required by program guidelines, the mortgage file contains an appraisal of the related mortgaged property signed prior to the funding of the mortgage loan by a qualified appraiser, who had no interest, direct or indirect in the mortgaged property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the mortgage loan, and the appraisal and appraiser both satisfy the requirements of Fannie Mae or Freddie Mac and Title XI of the Federal Institutions Reform, Recovery, and Enforcement Act of 1989 as amended and the regulations promulgated thereunder, all as in effect on the date the mortgage loan was originated. As of the origination date, no appraisal is more than one hundred and twenty (120) days old.

(t) Disclosure Materials. In the case of an adjustable rate mortgage loan, the borrower has executed a statement to the effect that the borrower has received all disclosure materials required by applicable law with respect to the making of adjustable rate mortgage loans, and Broker maintains such statement in the mortgage file.

(u) No Defense to Insurance Coverage. No action has been taken or failed to be taken, no event has occurred and no state of facts exists or has existed on or prior to the origination date (whether or not known to Broker on or prior to such date) which has resulted or will result in an exclusion from, denial of, or defense to coverage under any private mortgage insurance (including, without limitation, any exclusions, denials or defenses which would limit or reduce the availability of the timely payment of the full amount of the loss otherwise due thereunder to the insured) whether arising out of actions, representations, errors, omissions, negligence, or fraud of Broker, the related borrower or any party involved in the application for such coverage, including the appraisal, plans and specifications and other exhibits or documents submitted therewith to the insurer under such insurance policy, or for any other reason under such coverage, but not including the failure of such insurer to pay by reason of such insurer's breach of such insurance policy or such insurer's financial inability to pay.

(v) No Equity Participation. No document relating to the mortgage loan provides for any contingent or additional interest in the form of participation in the cash flow of the mortgaged property or a sharing in the appreciation of the value of the mortgaged property. The indebtedness evidenced by the mortgage note is not convertible to an ownership interest in the mortgaged property or the borrower and Broker has not financed nor does it own directly or indirectly, any equity of any form in the mortgaged property or the borrower.

(w) Proceeds of mortgage loan. The proceeds of the mortgage loan have not been and shall not be used to satisfy, in whole or in part, any debt owed or owing by the borrower to Broker or any affiliate or correspondent of Broker, except in connection with a refinanced mortgage loan; provided, however, no such refinanced mortgage loan shall have been originated pursuant to a streamlined mortgage loan refinancing program.

(x) Other Encumbrances. To the best of Broker's knowledge, any property subject to any security interest given in connection with any mortgage loan is not subject to any other encumbrances other than a stated first mortgage, if applicable, and encumbrances which may be allowed under the Guides.

(y) Guides. Each mortgage loan has been submitted to WMF in accordance with the applicable Guide(s) (including all supplements or amendments thereto).

(z) Primary Mortgage Guaranty Insurance. If required by program guidelines, each mortgage loan is insured as to payment defaults by a policy of primary mortgage guaranty insurance, and all provisions of such primary mortgage guaranty insurance have been and are being complied with, such policy is in full force and effect, and all premiums due thereunder have been paid. Each mortgage loan which is represented to MWF to have, or to be eligible for, FHA insurance is insured, or eligible to be insured, pursuant to the National Housing Act. Each mortgage loan which is represented by Broker to be guaranteed, or to be eligible for guaranty, by the VA is guaranteed, or eligible to be guaranteed, under the provisions of Chapter 37 of Title 38 of the United States Code. As to each FHA insurance certificate or each VA guaranty certificate, Broker has complied with applicable provisions of the insurance for guaranty contract and federal statutes and regulations, all premiums or other charges due in connection with such insurance or guarantee have been paid, there has been no act or omission which would or may invalidate any such insurance or guaranty, and the insurance or guaranty is, or when issued, will be, in full force and effect with respect to each mortgage loan. There are no defenses, counterclaims, or rights of setoff affecting the mortgage loans or affecting the validity or enforceability of any private mortgage insurance or FHA insurance applicable to the mortgage loans or any VA guaranty with respect to the mortgage loans.

(aa) Predatory Lending Regulations; High Cost Loans. No mortgage loan is a “high cost” or “covered” loan, as defined by any applicable federal, state or local predatory or abusive lending law (and no mortgage loan has a percentage listed under the Indicative Loss Severity Column (the column that appears in the Standard & Poor’s Anti-Predatory Lending Law Update Table, included in the then-current Standard & Poor’s LEVELS® Glossary of Terms on Appendix E)). Any breach of this representation shall be deemed to materially and adversely affect the value of the mortgage loan and shall require a repurchase of the affected mortgage loan. No mortgage loan secured by property located in the State of Georgia was originated on or after October 1, 2002 and prior to March 7, 2003. No mortgage loan originated on or after March 7, 2003 is a “high cost home loan” as defined under the Georgia Fair Lending Act. No borrower was encouraged or required to select a loan product offered by an originator that was a higher cost product designed for less-creditworthy borrowers, unless at the time of the mortgage loan’s origination, such borrower did not qualify, taking into account credit history and debt-to-income ratios, for a lower cost credit product then offered by such originator or any affiliate of such originator.

(bb) FHA Mortgage Insurance; VA Loan Guaranty. With respect to the FHA Loans, the FHA Mortgage Insurance Contract is or eligible to be in full force and effect and there exists no impairment to full recovery without indemnity to the Department of Housing and Urban Development or the FHA under FHA Mortgage Insurance. With respect to the VA Loans, the VA Loan Guaranty Agreement is in full force and effect to the maximum extent stated therein. All necessary steps have been taken to keep such guaranty or insurance valid, binding and enforceable and each of such is the binding, valid and enforceable obligation of the FHA and the VA, respectively, to the full extent thereof, without surcharge, set off or defense. Each FHA Loan and VA Loan was originated in accordance with the criteria of an “Agency” for purchase of such mortgage loans.

(cc) None of the mortgage loans are subject to the Home Ownership and Equity Protection Act of 1994 or any comparable state or local law.

(dd) Qualified Mortgage. With respect to each mortgage loan where the borrower's loan application for the mortgage loan was taken on or after January 10, 2014, such mortgage loan (i) is a Qualified Mortgage and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the mortgage file and mortgage loan Documentation. Any breach of this representation shall be deemed to materially and adversely affect the value of the mortgage loan and shall require a repurchase of the affected mortgage loan

(ee) Loan Estimates. Broker shall timely and accurately represent to MWF the date Broker first received each application. Broker shall timely and accurately represent to MWF whether Broker has provided any loan estimate ("LE") to applicant related to the submitted applications. Broker shall not provide consumers with LE disclosures bearing the name of MWF. Broker shall provide all applicant information and credit history to MWF within 24 hours of receipt of a application. If Broker provides a Loan Estimate to a consumer, Broker shall accurately represent to MWF the date on which the Loan Estimate was provided and the means of delivery (face-to-face, mail, electronic delivery, overnight courier, etc.). Broker shall not provide a Loan Estimate to any consumer on a transaction after MWF has provided any consumer on the same transaction either a Loan Estimate or a Closing Disclosure. Any and all disclosures provided by Broker to Borrower shall be made in strict compliance with all applicable laws, rules and regulations (including without limitation TRID), an accurate and timely LE of charges within three (3) days of receipt of an application from the Borrower, as defined and required under TRID, or elect the option to have MWF disclose the LE to the Borrower(s) provided an acceptable submission package is received by MWF within 24 hours of an application from the Borrower and provided that Broker has elected that option in writing to MWF.

(ff) Closing Disclosures. Broker shall not provide a "closing disclosure" to any consumer on a transaction submitted to MWF. Broker shall notify MWF within one day of any other wholesale lender delivering a Closing Disclosure to any consumer on a transaction where Broker submitted the application to MWF and the other wholesale lender.

(gg) Electronic Delivery of Consumer Disclosures. Broker shall not deliver any consumer disclosures to consumers by electronic delivery without insuring that Broker is in compliance with the Electronic Signatures in Global and National Commerce Act, 15 USC § 7001 et. Seq. (the "E-Sign Act") and applicable state laws, if any. Broker shall accurately represent to MWF the date each consumer electronically acknowledged his or her capacity and willingness to receive electronic delivery of consumer disclosures from Broker pursuant to the E-Sign Act. Broker shall use only those vendors approved in writing by MWF in connection with any electronic signatures obtained in connection with any mortgage loan.

Per the authority granted in the section entitled "Integration" of the Broker Agreement, which also incorporates the terms disclosed on this webpage, the following is added to section entitled "Representations, Warranties and Covenants

9) Broker represents and warrants that all information supplied by Broker to MWF by any means, whether for approval, continuing approval to do business with MWF, or otherwise, and whether it be in the Broker's application package, any renewal documents, or other information provided by Broker to MWF to induce MWF to do business or continue to do business with Broker is true and correct.

In the event any of the information provided becomes untrue or inaccurate, Broker will promptly notify MWF of any such changes. To the extent all corrections or updates are able to be made via the <https://comergence.com> or www.mfw wholesale.com websites, broker shall make such updates there. Broker is responsible for the actions of all actions taken utilizing credentials assigned to Broker.