



# Correspondent Seller Guide

January 23, 2024

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## 1. OVERVIEW

Newfi Lending's Correspondent Seller Guide ("Guide") provides detailed requirements for selling mortgage loans ("Loans") to Newfi Lending ("Newfi"), pursuant to a Newfi Correspondent Mortgage Loan Purchase Agreement ("Agreement"). This Guide is designed to assist approved Correspondent Seller ("Sellers") in conducting correspondent business with Newfi from Loan approval through post-purchase. Additionally, the Guide sets forth, along with the Correspondent Mortgage Loan Purchase Agreement ("MLPA" or "Agreement"), the terms and conditions governing a Seller's participation with Newfi Correspondent Lending Program.

This Guide sets forth the general information, policies and procedures, terms, and conditions, which are applicable to all loan purchase transactions conducted between Newfi and its approved Sellers.

This Guide is incorporated into the Agreement with Newfi. Sellers agree that all transactions are governed by this Guide, the Agreement, and any Purchase Commitments. Sellers are bound by all provisions of this Guide and are responsible for adhering to all Federal and State laws and regulations, and Agency guidelines, as applicable. The Guide is updated periodically, with updates made available to Sellers. All loans purchased by Newfi are subject to programs, matrices, guidelines, policies, and regulations in effect at the time of loan purchase.

Newfi may terminate its relationship with the Sellers at any time when the Sellers does not meet its obligations within this Guide and Agreement.

## 2. CORRESPONDENT SELLER APPROVAL

The requirements set forth in the Seller Application Package, unless waived by Newfi at its sole and absolute discretion, must be met by Sellers to be eligible for participation in Newfi's Seller program.

### 2.1 Application Process

Applicants interested in obtaining a relationship with Newfi must complete the application package and meet the requirements to be considered for approval.

Newfi will ascertain the validity of the information submitted for approval through State and National licensing search engines and other verification processes.

### 2.2 Minimum Approval Standards

- Minimum tangible net worth of \$1,000,000.
- Sellers (principal of the company) must have at least five (5) years of experience in mortgage lending.
- No Pending Material Litigation.
- Submission and approval of all required application documentation.
- Completion of Policy Certification.

### 2.3 Required Documentation

The following documentation must be submitted to Newfi for review:

- Completed NewFi Seller Application Package, signed and dated – Authorization / Release for Businesses and Individuals, signed by principal officer, Corporate Resolution signed and dated by principal officer.
- Correspondent Mortgage Loan Purchase Agreement - signed and dated.
- Company Formation document – Articles of Incorporation, Articles of Organization or Partnership Agreement.
- Company Organizational Chart.
- Current Errors & Omissions ("E&O") Insurance (if required by your state licensing entity) with at least 60 days remaining.
- W-9 Form- signed and dated.
- Most recent two years audited Financials and most recent Quarter Balance Sheet and P&L.
- Quality Control Policy and Procedures.

Information is proprietary and confidential and not to be distributed to unauthorized users.

- Current Resumes for all owners, principals, officers, and senior managers addressing mortgage experience.
- Current Surety Bond per state requirements.
- Two Lender References with name and email address.
- Verification that Seller is a MERS member.
- Warehouse Bank Approval.
- Signed and dated Loan Fraud Zero Tolerance form.

### 3. NOTIFICATION OF SIGNIFICANT CHANGE

Sellers must notify Newfi in writing of any impending material changes in its organization, including when it receives any notification from any State and Federal Regulators to which it is subject, which shall include, but not limited to, any notice of approval, rejection, suspension, non-compliance, default, or eligibility.

### 4. LEGAL STANDING

The Sellers be validly existing, well-ordered, and in good standing under the laws of the jurisdiction of its organization. In addition, Sellers (inclusive of loan officers and broker) must be qualified to do business in each jurisdiction where it originates mortgage loans.

### 5. GOOD STANDING AND ANNUAL RENEWAL

Approved Sellers must continue to meet the eligibility requirements outlined in this section to maintain their approval status.

Sellers must complete the annual renewal process, including providing audited financial statements for the preceding fiscal year, and interim financial statements if so requested.

### 6. FAIR LENDING COMMITMENT

Newfi does not condone or engage in any business practices that discriminate based on race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract), disability, military status, or any other basis prohibited by law.

### 7. PRICING AND SETTLEMENTS TERMS

#### 7.1 Rate Lock

All Sellers loans must be locked on the appropriate rate sheet to guarantee a rate to the borrower. The lock is not a commitment to purchase.

All lock requests must be requested prior to underwriting Clear to Close ("CTC"). The lock term must be a minimum of 30 days and maximum of 45 days.

Closing documents must be delivered by the lock expiration and adhere to Newfi's Correspondent Rate Lock Policy

#### 7.2 Rate Sheet Availability

Rate Sheets are distributed daily by Newfi. Newfi reserves the right to change pricing at any time without prior notice. All pricing on rate sheet is Best Efforts.

### 7.3 Lock Extensions

All Best-Efforts flow locks with an expiration date occurring before delivery must be extended by the Seller to remain active. The settlement date may be extended for an additional 15 days with an extension fee, per the Rate Sheet with a maximum lock term of 60 days. The request must be sent to [locks@newfi.com](mailto:locks@newfi.com) by 4 pm PST on or before the lock expiration date listed on the Lock Confirmation to be extended. On the day of lock extension request, if the note rate or eligibility/scenario is no longer offered on Newfi's rate sheet, the loan may not be eligible for an extension, at Newfi's discretion.

- Sellers can extend lock for 15-days maximum prior to delivery of closed loan, at 2.5 base points ("bps") per day with maximum lock term of 60 days.
- Lock request must be sent to [locks@newfi.com](mailto:locks@newfi.com) by 4 pm PST on or before lock expiration date.

### 7.4 Lock Policy and Delivery Requirements

- Sellers deliver closed loan by lock expiration date.
- Five days turn time for initial pre-purchase review.
- Sellers have 10 days to clear suspense conditions.
  - If suspense conditions remain after 10-days, Sellers have additional 10-days to clear suspense conditions at 2.5 bps per day.
- If after the additional 10-days, suspense conditions remain, Sellers are subject to relock at worse-case price or cancellation of the loan.

## 8. CANCELLED LOCKS

Excessive lock cancellations will be grounds for review and reconsideration of Sellers approval with Newfi.

## 9. PRODUCTS

Refer to the Newfi Correspondent website for specific product and program descriptions and guidelines. [Newficorrespondent.com](http://Newficorrespondent.com).

## 10. SUBMISSION REQUIREMENTS

### 10.1 Required Documents for Submission

The Submission Checklist will be maintained on [Newficorrespondent.com](http://Newficorrespondent.com). The submission checklist details all required steps and documentation for initial loan submission.

### 10.2 E-Signature Policy Overview

Newfi will accept electronic signatures on initial disclosures and third-party documents that meet the following requirements:

- Electronically signed document(s) must comply with the Electronic Signatures in Global and National Commerce Act and all applicable State and Federal laws and regulations.

Electronic Signatures are NOT allowed in the following situations:

- Power of Attorney ("POA").
- The document requires notarization.

- Closing Documents.
- Any document that requires a wet signature.

## 11. COMPLIANCE

### 11.1 Compliance Responsibilities

Sellers must originate each loan in compliance with all federal, state, local and municipal laws, ordinances, rules, and regulations.

Sellers are responsible for compliance with all applicable governing statutes and regulations as amended and in effect at the time the loan was made, including, but not limited to , Ability to Repay/Qualified Mortgage Requirements (“ATR/QM”), Anti-Money Laundering Requirements (“AML”), Appraisal Independence Requirements (“AIR”), Consumer Credit Protection Act (“CCPA”), Fair Credit Reporting Act (“FCRA”), Dodd-Frank Act (“DFA”), Equal Credit Opportunity Act (“ECOA” and “Regulation B”), Fair Housing Act, Home Mortgage Disclosure Act (“HMDA” and “Regulation C”), Home Ownership and Equity Protection Act (“HOEPA”), Mortgage Disclosure Improvement Act (“MDIA”), Real Estate Settlement Procedures Act (“RESPA” and “Regulation X”), Financial Crimes Enforcement Network (“OFAC”), Secure and Fair Enforcement for Mortgage Lending Act (“SAFE Act”), TILA / RESPA Integrated Disclosure Rule (“TRID”), Truth-in-Lending Act (“TILA” and “Regulation Z”), Unfair, Deceptive, or Abusive Acts or Practices (“UDAAP”), and the USA PATRIOT Act.

Sellers must provide copies of initial, interim, and closing state and federal disclosures, including proof of delivery and signatures where required.

### 11.2 Loan Level Compliance Certification

Newfi requires that all Sellers utilize a compliance certification tool to validate loans are compliant with regulatory requirements. A final compliance certification report issued by an approved provider will be required for all loans prior to final purchase commitment and purchase.

The final (most recent) report must include certification for:

- ATR/QM Status
- QM Points & Fees
- Federal HOEPA
- Federal High Priced Mortgage Loan “HPML”
- State & local High-Cost Threshold Tests
- Federal TILA
- TRID Timing Requirements
- Federal RESPA
- Loan Officer (“LO”) Compensation Policy
- State Regulations (rate, grace period, late fees)
- State Regulations (restricted fees)
- Loan calculations (Annual Percentage Rate (“APR”), Finance Charge Fees, Total Interest Percentage (“TIP”), Prepaid Financed Charges)
- Payment Schedule

Newfi will review the final certification report to validate there are no “fails” or “alerts” for any items. Newfi also reserves the right to perform its own compliance tests, including but not limited to, high cost and/or high fee testing



on any loan and reserves the right to refuse purchase on any loan that exceeds federal, state or local high cost and/or fee thresholds.

Sellers will be responsible for these compliance checks throughout the loan and responsible for all cures or buybacks associated with the compliance of the file.

### 11.3 Net Tangible Benefit

All refinance loans secured by a 1-4 family primary residence must provide a net tangible benefit to the borrower. Loans presented by Sellers for purchase to Newfi must include a documented and demonstrable net tangible benefit to the borrower.

### 11.4 TRID Tolerance Cures

If the Sellers issues a lender credit to cure a TRID tolerance overage the credit must be disclosed on the final Closing Disclosure ("CD").

Newfi reserves the right to refuse a file presented for purchase that is found to be out of compliance with TRID tolerance rules. Newfi may, at its discretion, permit the Sellers to cure a tolerance overage prior to purchase, if the cure is issued no more than 60 days after closing. Additional documentation will be required, including but not limited to:

- Copy of the final/revised CD.
- Copy of the check that was issued to the borrower.
- Copy of the cover letter to the borrower explaining the cure.
- Proof of delivery of the final CD and cure check.

### 11.5 Equal Credit Opportunity Act ("ECOA")

ECOA requires notification of action taken on the borrower's request for credit, whether favorable or adverse, within thirty (30) days after receiving a completed application.

To comply with ECOA notification requirements, Sellers shall receive a written Approval Certificate and are responsible for providing the approval information to the borrower(s).

If the loan request is declined, Sellers shall directly provide a written notification of adverse action that contains at a minimum the name and address of the Sellers and the nature of the action that was taken.

### 11.6 Application ("1003")

Newfi requires a completed, fully executed and signed initial 1003.

- Must be complete and signed by the loan officer and by the borrower(s)
- These sections of the 1003 must also be complete:
  - All HMDA/Government Monitoring Data ("GMI").
  - Loan Originator's name and Nationwide Mortgage Licensing System ("NMLS") ID.
  - Company name and NMLS ID - either the branch or the company NMLS ID number may be reflected on the initial 1003.

### 11.7 Limited Denial of Participation and General Services Administration Lists ("LDP/GSA")

Sellers are required to verify that no parties to the loan transaction, including third-party vendors such as appraisers, are on the excluded parties list.

If any party to the loan transaction appears on either of these lists, the loan will be ineligible for purchase by Newfi.

### 11.8 Pre-Fund Quality Control

Newfi requires that Sellers perform quality control procedures, as specified in the plan submitted to Newfi, to ensure the quality of the originations submitted to Newfi for underwriting and purchase. Sellers are responsible for maintaining Quality Control (“QC”) policy and procedures, as required by Fannie Mae, Freddie Mac, and as described in the Sellers quality control policy and procedures, provided at time of Sellers approval.

### 11.9 Purchase Suspended Loans

Sellers are required to clear purchase suspense item(s) and due diligence condition(s) within ten (10) calendar days of the initial review within the Cure Period Expiration Date.

Any loan with open purchase suspense item(s) or due diligence condition(s) as of the Cure Period Expiration Date will be subject to a lock extension fee at 2.5 bps per day as a reduction in price from the Cure Period Expiration date up to and including the final cure date.

If Sellers have not resolved the purchase suspense items(s) or the due diligence condition(s) within ten (10) calendar days following the Cure Period Expiration Date, Newfi may at its option, reprice the loan to current market or cancel the purchase.

## 12. UNDERWRITING

Upon receipt of the credit package from Sellers, Newfi will complete a full review prior to issuing an Approval Certificate. Once Sellers have provided all Prior to Close (“PTC”) conditions reflected on the Approval Certificate and are satisfactory, Newfi Underwriter (“UW”) will issue a clear to close.

### 12.1 Underwriting Review

UW Review will consist of, but not limited to

- Data verification
- Review of property valuation
- Loan eligibility and risk review
- Review of tax transcripts
- Review and verification of assets and income
- Title review of Closing Protection Letter (“CPL”), Closing agent, and Title Policy

### 12.2 Fraud Alert on Credit Report

Sellers are required to investigate any/all fraud alerts that appear on the credit report(s) and complete a red flag certification that the fraud alert was addressed.

## 13. VERBAL VERIFICATION OF EMPLOYMENT

The Sellers will perform a verbal verification of employment for all salaried and self- employed borrower(s) within 10 business days of the note date. The verbal verification of employment will be submitted to Newfi and audited by the Underwriter.

### 13.1 Salaried Borrowers

A verbal verification of employment (“VVOE”) must be completed within ten (10) business days “prior” to the note date. The VVOE cannot be the “same day as” the Note date. The phone number and, if possible, an address for the borrower’s employer must be obtained independently by using the internet, directory assistance or by

contacting the applicable licensing bureau.

A verbal VOE can also be obtained via a third party, like The Work Number. For the Work Number, the “information current as of date” may not be more than thirty (30) days prior to the closing date and the VVOE must be completed within the required ten (10) business days.

If appropriate for type of income used, Sellers are to provide processor certification, Freddie Mac form 90 or something similar with the following information Prior to Docs (“PTD”) and recertify if expires prior to funding:

- Borrower name
- Loan number
- Employer name
- Employer phone number called
- How number was third-party verified (attached documentation, such as Secretary of State print out, internet look up printout, etc.)
- Name of employer verifier
- Title of employer verifier
- Date of hire
- Active? Yes/No
- Likelihood of continued employment
- Name of processor
- Title of processor
- Processor signature
- Date complete

### 13.2 Self-Employed Borrowers

An independent verification of the existence of the borrower’s business must be completed within thirty (30) days prior to the closing date. This can be satisfied as follows:

- Verification from a third-party, such as a Certified Public Accountant (“CPA”), regulatory agency, or the applicable licensing bureau, with documentation of verification provided **OR**
- By verifying a phone listing and address for the borrower’s business using telephone book, the internet or directory assistance. Internet sites such as 411.com, Chamber of Commerce site and Manta.com, where they allow the business to add their own information, are not acceptable. Include documentation printouts of verification.

We must document the source of the information obtained as follows:

- Name and address of the business, and
- The entity contacted (if applicable), and
- The date the information is verified, and
- The name and title of the person who obtained the information is to be documented by completing and signing a processor certification, Freddie Mac form 90 or something similar.

## 14. APPRAISAL

### 14.1 Appraisal Overview

The Sellers may continue to utilize the non-affiliated Appraisal Management Company (“AMC”) vendor(s) that

they have approved, without pre-approval by Newfi, provided:

- Appraiser is not on a Fannie Mae/Freddie Mac Exclusionary list, LDP/GSA Exclusionary List or Fannie Mae Appraiser Quality Monitoring (“AQM”) list for monitoring or exclusion.
- AMC must have E&O blanket coverage of at least \$3,000,000 unless state legislation allows for lower coverage amount.
- AMC must be licensed in the state they are performing the services.
- Non-Agency loan submissions require the appraiser to be certified (residential or general). Trainees are not acceptable.
- Licensed Appraisers are allowed on agency loan submissions provided the transaction amount (loan amount) is \$1,000,000.00 or less for non-complex assignments or \$400,000.00 or less for complex appraisal assignments.
- Review products (CDA, Field Review, etc.) must be completed by a different appraiser from a different firm with equal or superior license/certification level. Example: Certified General Appraiser’s work product cannot be reviewed by a Licensed Appraiser.

Sellers must disclose any affiliation or common ownership between the AMC and the Sellers and provide details on the AMC ownership, for Newfi review/pre-approval.

In addition to the AMC requirements, Sellers may use their own appraisal panel, provided the individual appraiser has an E&O of at least \$1,000,000, lesser coverage is acceptable only if mandated by state legislation.

Newfi, at its sole discretion, may require additional valuations. This includes but not limited to AVMs, Desk Reviews, Field Reviews, Amplified Appraisal Reports, or second appraisal. For higher loan amounts where the program calls for two (2) appraisals, the Sellers will pay for both appraisals. The reports need to be completed by different appraisers and cannot be completed by appraisers in the same firm/office.

Appraisal will be ordered in the name of the Sellers and must be compliant with MDIA, RESPA, AIR, and all other applicable laws, regulations, and applicable product guidelines.

Sellers are required to provide a copy of the appraisal to the Borrower(s) at least three (3) business days prior to closing. Documentation in the loan file must indicate the date and method of delivery of the appraisal to the borrower and evidence that the appraisal was received by the borrower.

Acceptable evidence of delivery includes:

- A copy of the e-Delivery receipt confirmation, OR
- Overnight delivery notice signed by the borrower(s) no later than three (3) business days before closing
- Acknowledgment of Receipt of Appraisal document signed by the borrower(s) that includes confirmation of the date received.
- Acknowledgment of Receipt of Collateral Desktop Analysis (“CDA”) document signed by the borrower(s) that includes confirmation of the date received.

The Sellers are to include a Certificate of Compliance certifying the appraisal was ordered and completed in accordance AIR.

Newfi will require a PDF copy of the Appraisal, XML copy of the appraisal, Appraisal Invoice, Fannie Mae Submission Summary Report (“SSR”), Freddie Mac SSRs, Secondary Valuation Products as required by program guidelines, and the Appraiser Independence Requirement Certification (AIR Cert).

**\*SSRs provided must correspond with the most recent version of the appraisal report submitted. Any revised version of the appraisal report must be re-submitted to UCDP to generate updated SSRs.**

Newfi will review all appraisal reports for compliance with the Uniform Standards of Professional Appraisal

Practice (“USPAP”), Fannie Mae and Freddie Mac guidelines, the Real Estate Settlement and Procedures Act (“RESPA”), the Financial Institutions Reform, Recovery, and Enforcement Act (“FIRREA”), and finally, the specific underwriting guidelines of Newfi and our investors. Newfi reserves the right to refuse any appraisal. Refusal rights include, but are not limited to, risk, salability, or lack of supporting data.

### 14.2 Submission Summary Reports (SSR)

Newfi will require the Document File Identifier and SSRs (one from Fannie Mae and one from Freddie Mac) from the Sellers prior to issuing a final purchase commitment.

Once the appraisal is complete, the Sellers must promptly review and audit for the SSRs. If they have not been initially provided by the AMC, the Sellers should obtain directly from the AMC or utilize their Uniform Collateral Data Portal (“UCDP”) log-in via Fannie Mae and Freddie Mac to pull the SSR reports. SSR reports are required to be delivered to Newfi.

It is the Sellers responsibility to ensure proper registration of the final appraisal utilized in a loan transaction through the UCDP.

## 15. CLOSING

### 15.1 Affiliates

See Newfi’s policy regarding Non-Arm’s Length and Interested parties. Refer to the Newfi Correspondent website for specific product and program descriptions and guidelines. [Newficorrespondent.com](http://Newficorrespondent.com).

**Note:** Sellers warehouse bank might have its own requirements that will supersede Newfi’s policy.

### 15.2 Warehouse Bank Requirements

Newfi must be approved with the Sellers warehouse bank as a takeout investor.

If there is a new warehouse bank that has not approved Newfi, Newfi will require a statement from the warehouse bank on the bank’s letterhead requesting funding with the warehouse bank that has not approved Newfi.

The loan must be funded with an approved warehouse bank line.

### 15.3 Closing Coordination

Sellers will coordinate closing between the borrower(s) and the Escrow or Title Company/Attorney. The Sellers will draw and approve the Closing Disclosure (“CD”), prepare loan closing documents, and request the wire directly from Seller’s warehouse bank.

Sellers must use loan closing documents that are accurate and complete for the loan program, specific state and/or local jurisdiction, lien type and property type. The most current version of all appropriate forms should be used.

### 15.4 Mortgage Electronic Registration Systems (“MERS”)

The Sellers are required to be a MERS member.

Sellers are required to order the Mortgage Identification Number (“MIN”) for each file and provide it to Newfi at the time of purchase.

- All MIN numbers must be registered prior to purchase.
- All MIN numbers must be Transfer of Service (“TOS”) and Transfer of Beneficiary (\*TOB”) to Newfi

within five (5) days of receiving the purchase advice.

**Note:** This will be part of the Purchase/Delivery Audit process.

### 15.5 Also Known As (“AKA”)

Newfi’s Underwriter will condition any AKAs identified at time of underwrite; however, the list provided may not include all required AKAs, the Seller is responsible for listing all AKAs for AKA statement on closing documents and delivery to Newfi at time of purchase audit.

### 15.6 Mortgagee Clause

The Seller’s Mortgagee Clause must include its successors and/or assignees, as their interest may appear (“ISAOA/ATIMA”).

### 15.7 Closing Documents

Closing documents must observe the following:

- All closing documents must comply with the requirements set forth in the Newfi Guidelines if not listed, refer/default to the FNMA Seller Guides.
- Per diem interest calculations are based on 30/360-day year.
- The Seller’s MERS registered loan MIN is required on each loan’s security instrument.
- The date the loan is signed by the borrower(s) must be on or after the date on the closing documents.
- The signature must be a wet signature, electronic signatures are not acceptable.

The Lender of Record and originator must match the name listed as counterparty on the MLSA, unless prior approved by Newfi.

The closing package will include a first payment letter that directs the Borrower to send the initial payment to the Seller.

A copy of the closing documents shall be uploaded within 48 hours of closing.

Closing package and other documents will be uploaded directly to the Newfi Seller Portal. Review of the Closing package is part of the Purchase Audit process.

### 15.8 Power of Attorney (POA)

Closing Documents signed using a POA must comply with State law. Cash out loans cannot sign with a POA and the agent cannot be an individual who has a financial interest in the transaction, for example a realtor or the loan officer.

### 15.9 Acceptable Signatures on Closing Documents

Documents must reflect names exactly as shown on the Title Commitment/Preliminary Title Report. The borrower should sign the documents exactly as their name appears on the documents.

Documents may be over-signed but may not be under-signed unless a signature affidavit is obtained from the borrower.

Commitment terms must be properly reflected in the loan instruments and all appropriate riders and addenda must be included/attached.

For documents that contain a date field next to or as part of the signature line, the borrower is required to complete the date field.

### 15.10 Escrow/Impound Account

Newfi follows state requirements for the initial escrow balance. Taxes due on or within 30 days of the 1st payment must be collected on the CD and paid at closing directly to the taxing authority and impounded based on the next installment date. If taxes are due 30 days after the 1st payment due date, taxes should be impounded based on the upcoming installment date based on previous year's tax amount.

### 15.11 Hazard Insurance

Hazard insurance should be in the Sellers mortgagee clause with ISAOA/ATIMA verbiage included.

Refinances – Newfi requires the policy to be current as of closing and not expire within 60 days of the first payment date. Should the policy expire within 60 days of the first payment, the Sellers should provide evidence of renewal, or be collected on the CD.

Purchases – Newfi requires a one-year policy in place, and evidence of payment. Policy must be effective at time of funding.

### 15.12 Flood Insurance

The Federal Emergency Management Agency ("FEMA") determines where Special Flood Hazard Areas ("SFHA") exist and creates Flood Insurance Rate Maps ("FIRM") which show the risk levels for areas subject to flooding.

The Flood Disaster Protection Act ("FDPA") provides flood insurance to owners of improved real estate that are in SFHA of communities participating in the National Flood Insurance Program ("NFIP").

The FDPA requires lenders to obtain proof of flood insurance for loans with subject properties located in SFHA of communities participating in the NFIP. If Flood Insurance is required, escrows, and impounds are always required.

All properties secured by a mortgage loan require a Flood Certificate.

## 16. PURCHASE AUDIT

### 16.1 Collateral

Sellers are responsible for providing completed collateral package to Newfi.

Collateral must include the Original Note, a copy of Prelim or Title Commitment, a copy of the Security Instrument with Exhibit A/Legal Description and applicable Riders, and POA if applicable.

Note must be endorsed by the Sellers in blank or a separate Allonge is acceptable, provided the Allonge matches the Note Date; Borrower Name; Property Address; Loan Amount, and is endorsed to blank, if applicable original intervening endorsements, for an unbroken chain of title from originator to the Sellers.

Collateral Package (Original Note endorsed in blank, Allonge, Intervening Assignments and Addendums/Riders to Note):

Newfi Lending  
Attn: Funding-Collateral  
2100 Powell Street, Suite 730  
Emeryville, CA 94608

Trailing Documents CA Properties (Security Instrument with Exhibit A and Riders)  
Newfi Lending  
Attn: Trailing Docs  
2100 Powell Street, Suite 730  
Emeryville, CA 94608

### 16.2 First Payment

Servicing laws require that the borrower(s) have notice prior to servicer change. Sellers will collect first payment if loan is not purchased at least 15 days before the first payment date.

Newfi will amortize the loan properly and will net out any monthly escrows collected on the CD. Sellers will be responsible for forwarding any additional principle or escrow payments collected.

Sellers will be responsible for reporting and providing 1098s to the borrower(s) where required by law.

### 16.3 Purchase Advice

Once all prior to purchase conditions and suspense items are cleared the Sellers will receive a Purchase Advice, and the purchase proceeds will be sent to the warehouse bank. Newfi will net the following fees out of the purchase proceeds:

- Investor Admin Fee
- Any lock related costs
- Impounds
- Interest

## 17. POST-PURCHASE

### 17.1 MERS

Sellers to complete transfer of servicing rights (“TOS”) and transfer of beneficial rights (“TOB”) within 5 days of receiving Purchase Advice to Newfi MERS Org ID.

- MERS Org ID 1013222.

### 17.2 Notice of Assignment, Sale, or Transfer of Servicing Rights (“Goodbye Letter”)

The Sellers are responsible for informing the Borrower(s) and vendors of the sale of the loan in compliance with federal, state, and local regulations and laws specific to loan transfer.

Sellers must notify the borrower in writing at least 15 days before the servicing of the loan is transferred.

The notice must include the following information:

- Effective date of transfer
- Date Sellers will stop accepting payments and Planet Home Lending will begin accepting payments.
- Name, address, and toll-free number for Planet Home Lending
- Optional Insurance will need to be cancelled at the time of transfer. Notice the loan transfer does not modify the terms of the transaction except for those directly related to the servicing of the loan.
- Sellers to provide a copy of the Goodbye Letter to Newfi.

### 17.3 Notice of Transfer in Ownership of Mortgage Loan (TILA/404 Notice)

The Sellers is responsible for informing the borrower(s) that their loan has been sold in compliance with federal, state, and local regulations.

The Sellers must notify the borrower(s) in writing within 30 days of Newfi purchasing the loan, Newfi requests this to be mailed on the date of purchase.

The notice must include the following information:

- Date Loan was sold/transferred to the new owner (Newfi).
- New owner name, mailing address and phone number.
- Current Servicer (Sellers information).
- Loan Information: Date of the loan, original loan amount and the property address.



- Sellers to provide a copy of the TILA/404 Notice to Newfi.

### 17.4 Early Payoff

Refer to the Seller Agreement for early payoff provision(s).

### 17.5 Year-End Tax Statements

Sellers are responsible for sending and reporting any 1098s required by law for all fees and payments collected by Sellers.

Newfi will send and report any 1098s for payments collected by Newfi.

### 17.6 Final Docs

Newfi requires all final loan documents to be delivered to the following addresses within 90 days of purchase.

Trailing Docs Instructions:

#### CA Properties

##### Security Instrument w/Exhibit A and Riders

Newfi Lending  
Attn: Trailing Docs  
2100 Powell Street, Suite 730  
Emeryville, CA 94608

##### Final Title Policy

DMG/Indecomm  
1427 Energy Park Drive  
St. Paul, MN 55108  
Mail Stop: FD-NX-9500

#### Any Other State

##### Security Instrument with Exhibit A and Riders and Final Title Policy

DMG/Indecomm  
1427 Energy Park Drive  
St. Paul, MN 55108  
Mail Stop: FD-NX-9500

### 17.7 Early Payment Default

Refer to the Seller Agreement for early payment default provision(s).

### 17.8 Newfi Servicing Contact Information

Sellers must notify all applicable vendors of sale within 15 days of transfer. Seller must notify vendors of the new mortgagee clause. Sellers must alert vendors of the sale of servicing rights and instruct the vendor to send all correspondence to the appropriate addresses.

Newfi reserves the right to charge the Seller's fees associated to the cost of acquiring the documents should they not be delivered within the 90 days, as well as require the loan to be repurchased.

### 17.9 Imaging

The Sellers must retain their imaged loan files as mandated by federal and state law.

## 18. SCHEDULE OF FEES

Description	Amount
Pre-Close Fee	\$500
Closing Fee	\$575
Flood Cert	\$9.50
Tax Cert	\$150

Fees will be netted out of the Purchase Advice

## 19. ANNOUNCEMENTS

Newfi will issue announcements when updates to the Guide are required. Announcements will be provided in a timely manner and include an effective date of the change. The Sellers are responsible to review and comply with any announcement issued by Newfi. Announcements are sent out to approved Sellers that have opted-in to receive emails.

## 20. CUSTOMER SUPPORT

### Newfi Lending

2100 Powell Street, Suite 730  
Emeryville, CA 94608

844-547-5108

Monday – Friday

Hours of Operation: 8:00 AM to 5:30 PM (PST)

### Lock Desk

888-415-1620

Monday – Friday

Hours of Operation: 8:30 AM to 5:00 PM (PST)

## 21. HOLIDAY SCHEDULE

Holiday schedule for Newfi Lending and the Lock Desk

New Year's Day

Martin Luther King Jr. Day

President's Day

Memorial Day

Juneteenth

Independence Day

Labor Day

Thanksgiving Day

Christmas Day