



Integrity

A mortgage banking platform committed to fair and equitable lending

ResMac Seller Guide

resmacb2b.com

Contents

Chapter 1 – B2B Seller Guide Overview	6
1.1 About the Company.....	6
1.2 Customer Support	6
1.3 About this Guide.....	6
1.4 Updates and Revisions.....	6
1.4.1 Notifications	7
Chapter 2 - Program Participation Requirements	7
2.1 Application Process	7
2.2 Required Correspondent Qualifications	8
2.3 Approval Package – Required Documents	8
2.3.1 Correspondent Application Form	8
2.3.2 Correspondent Loan Purchase and Sale Agreement.....	8
2.3.3 Licenses.....	8
2.3.4 Financials	9
2.3.5 Other Requirements	9
2.4 Warehouse Lenders.....	10
2.5 Warehouse Lenders – Requirements	10
2.6 Annual Recertification Process.....	10
Chapter 3 - Correspondent Loan Programs.....	11
3.1 Acceptable Products.....	11
3.2 Higher Priced Mortgage Loans	11
3.2.1 Requirements for HPML Eligibility.....	11
3.2.2 Ineligible HPML Loans.....	11
3.2.3 Required Correspondent File Documentation	12
3.2.4 Correspondent HPML Certification Form	12
3.2.5 Average Prime Offer Rate	12
3.2.6 Qualified Mortgage (QM) and the Ability to Repay (ATR).....	12
3.3 Program Guidelines	12
Chapter 4 – Rate Lock Policies.....	13
4.1 Lock Policy	13
4.1.1 Lock Terms.....	13
4.1.2 Program Change after Lock	13

4.2 Relock Policy13

4.3 Extension Policy14

Chapter 5 - Underwriting Tools and Tips.....14

5.1 – marti14

5.2 – marti and the AUS.....14

5.4.3 Fannie Mae Desktop Originator14

5.4.4 Fannie Mae Desktop Underwriter14

5.4.5 Freddie Mac Loan Prospector.....15

5.4.6 Guaranteed Underwriting System – USDA Rural Housing Automated Underwriting System15

5.5 Government Loan Programs.....15

5.5.1 FHA Programs15

5.5.2 Technology Open to Approved Lenders (TOTAL) Scorecard Required.....15

5.5.3 VA Loan Programs15

5.5.4 USDA – Rural Housing Program16

5.5.5 USDA Program – USDA Guarantee Fee16

5.6 Credit Requirements and Documents17

5.7 Loan Quality Initiative (LQI)17

5.8 Limited Denials of Participation and General Services Administration Lists17

5.8.1 Credit Refresh17

5.9 Mortgage Insurance17

5.10 Approved States and State Restrictions18

5.10.1 Community Property18

5.11 Pre-Funding Quality Assurance18

5.12 Fraud Prevention18

5.12.1 IRS 4506-T Tax Transcripts Request Form18

5.12.2 Social Security Validation18

Chapter 6 – Loan Purchasing19

6.1 Closed Loan Submission Package19

6.2 Seasoning for Closed Loans19

6.3 Suspended Loans19

Chapter 7 - Appraisal19

7.1 Appraiser Independent Requirements19

7.1.1 Appraisal Quality Control19

7.1.2 Appraisal Misconduct Reports.....	19
7.1.3 Statement of Policy and Procedures in Accordance with AIR	20
7.2 Appraisal Requirements	20
7.2.1 Uniform Appraisal Data Set	20
7.2.2 Portability of Appraisals.....	20
7.2.3 FNMA Appraiser Independence Requirements (AIR).....	20
Chapter 8 - Closing Process	21
8.1 Closing Documents	21
8.2 Mortgage Electronic Registration System (MERS)	21
8.3 Closing Requirements.....	21
8.4 File Delivery Instructions	21
8.5 Document Submission	22
8.5.1 Credit File.....	22
8.5.2 Purchasable Loans	23
8.5.3 Delinquent Loans	23
8.5.4 Appraisal	23
8.6 Government Closed Loans.....	23
8.6.1 Insurance Requirements	23
8.6.2 FHA, VA, and USDA Government Loans	23
Chapter 9 - Non-Delegated Correspondent Supplemental Information.....	24
9.1 Program Participation Requirements	24
9.1.1 Application Process	24
9.1.2 Additional Qualification Requirements	24
9.1.3 Approval Package – Required Documents	24
9.2 Acceptable Loan Programs	24
9.3 Loan Submission and Approval Procedures	24
9.3.1 Process for Submitting Loans to ResMac Underwriting for Prior Approval	25
9.3.2 Repurchase and Indemnification Liability	25
Chapter 10 - Disaster Policy.....	26
10.1 Re-Inspection Requirements	26
10.2 Appraisal Considerations.....	27
10.3 Loan Programs that Do Not Require Appraisals	28
10.4 FEMA Disaster Declaration	28

Chapter 11 – Compliance	29
11.1 Correspondent’s Compliance Responsibilities	29
11.2 Disclosure Requirements.....	29
11.3 Anti-Predatory and High Cost Loan Policies	30
11.4 Ability to Repay (ATR) and Qualified Mortgages (QM).....	30
11.5 Fair Lending	30
11.6 Anti-Money Laundering (AML)	31
11.7 Privacy	31
11.7.1 Confidential Information	31
11.7.2 Exceptions.....	31
11.7.3 Security and Use	31
11.7.4 Return or Destruction.....	32
11.7.5 Disclosure	32
11.7.6 Security Breach.....	32
Chapter 13 - Exhibits.....	33
13.1 Forms.....	33
13.2 Worksheets.....	33

Chapter 1 – B2B Seller Guide Overview

1.1 About the Company

ResMac, Inc. (“ResMac”), a Florida corporation founded in 2008 with its headquarters in Boca Raton, is a privately held mortgage origination and servicing company, licensed to originate loans in many states in the US. ResMac originates mortgages through retail and business-to-business (“B2B”) lending channels. It is an approved Seller Servicer for FNMA and an approved issuer and servicer for GNMA. For more information about ResMac, please visit <http://www.resmac.com/about-us/>.

1.2 Customer Support

The ResMac B2B lending channel is designed to provide an outlet to approved business partners (“Correspondent”) for the purchase of qualified closed loans. ResMac clearly understands the challenges that our Correspondents face in today's market and has developed a system supported by our proprietary technology platform (“marti”) to simplify the loan purchase process. Through marti, Correspondents can access their entire pipeline 24/7, review conditions and loans statuses, manage images with paperless drag and drop technology, lock, extend, and re-lock, execute disclosures and re-disclosures and much more. Correspondents have full access to marti as well as to the B2B website located at www.resmacb2b.com.

In conjunction with the technology platform, ResMac provides a department of mortgage professionals (“Production Support”) dedicated to supporting our Correspondents. Production Support provides product training and underwriting support, as well as technology training and general customer support. The Production Support desk is open during normal business hours and can be reached via email at productionsupport@resmac.com.

1.3 About this Guide

The purpose of the B2B Seller Guide (“seller guide”) is to provide instruction as to how to sell ResMac closed loans. Additionally, the seller guide includes information on how to seek approval as a Correspondent, requirements for acceptable loans, and general underwriting requirements.

In addition to complying with the provisions of the Correspondent Purchase Agreement (defined in Section 2.3.2 below), the Correspondent is responsible for adhering to all requirements contained in the seller guide, as well as, program guidelines and ResMac announcements published on the ResMac website located at www.resmacb2b.com.

1.4 Updates and Revisions

ResMac updates the seller guide from time-to-time by incorporating new or revised policies and procedures. It is the responsibility of the Correspondent to always remain in compliance with all State and Federal regulations, in addition to the policies and procedures outlined in the seller agreement and ReadMe announcements.

Note: All policies, programs and products are subject to change at any time.

1.4.1 Notifications

ResMac communicates updates and revisions to company policies, product changes, and pricing policies through Policies & Procedure announcements, Product Notifications, and Pricing Notifications as noted in Section 1.3. All announcements are posted at <http://resmacb2b.com/wholesale-center/announcements>.

Policy & Procedure Announcements, Product Notifications, Pricing Notifications are effective immediately upon posting to the ResMac B2B website, unless they indicate a different effective date.

Note: As the seller guide is updated occasionally, it is the responsibility of the Correspondent to refer to the Policy & Procedure announcements, Product Notifications, and Pricing Notifications.

[Home](#) [B2B Overview](#) [Products](#) [Current Rates](#) [B2B Center](#) [Services](#) [Cool Stuff](#)

Correspondent

At ResMac, we offer our correspondents the ability to deliver on a non-delegated basis, eliminating the credit risk and expense of employing your own underwriting staff. Our consistent turn times allow for a prompt credit decision, enabling you to maintain your service level commitments to your referral sources.

For those who have recently made the transition from broker to banker, we offer a robust Emerging Banker platform. Let us assist in customizing a platform that works for you by incorporating one of our strategic partners, whether it be a fulfillment company or warehouse lender, we can make the necessary introductions and design a strategy that suits you best.

To qualify as an approved Correspondent, one must:

- Be in business for at least (2) years or have a minimum of (5) years experience in the mortgage business;
- Present evidence of a net worth of \$100,000. Be properly licensed, active, and in good standing with the respective state(s) and NMLS;
- Have E&O Insurance at a coverage amount of \$300,000, and a maximum deductible of \$15,000;
- Have a traditional warehouse facility with a minimum line amount of \$1,000,000;
- Sign the Correspondent addendum;
- Have satisfactory investor score cards;
- Be in good standing with all governmental licensing and revenue collection agencies;
- Show an acceptable personal credit profile for all principal officers, owners and/or partners.

*Additional requirements may apply

GET APPROVED

Chapter 2 - Program Participation Requirements

2.1 Application Process

Applicants interested in attaining approval to become a ResMac Correspondent should:

- Access the ResMac B2B website and review the B2B Requirements located at <http://resmacb2b.com/b2b-requirements>.
- Upon meeting the requirements, please click on the **“get approved.”**
- Complete the form and request invitation. Upon reviewing your request with an account executive in your region, Production Support will send you an invitation to complete an online B2B Correspondent application.

2.2 Required Correspondent Qualifications

To qualify a Correspondent must:

- Be in business for at least two (2) years or must have principals with a minimum of five years of experience
- Present evidence of a net worth of \$100,000. Be properly licensed, active, and in good standing with the respective state(s) and NMLS;
- Have E&O insurance at a coverage amount of \$300,000 and a maximum deductible of \$15,000;
- Have a traditional warehouse facility with a minimum line amount of \$1,000,000.
- Sign the Correspondent addendum;
- Have satisfactory investor scorecards;
- Be in good standing with all governmental licensing and revenue collection agencies;
- Show an acceptable personal credit profile for all principal officers, owners and/or partners.

Notes: A Correspondent who has been suspended, has an open judgment in excess of \$10,000, or is currently under investigation by any governmental agency, will not receive approval. Past credit issues of officers, owners and/or partners are reviewed on a case-by-case basis.

2.3 Approval Package – Required Documents

Correspondents are required to submit the documents outlined below via the online Correspondent application.

2.3.1 Correspondent Application Form

The following is required for ensuring the Correspondent application is complete:

- All data points must be completed and saved
- All principal/owner/partner references must be included
- Those questions/declarations answered with or indicating a “Yes” response must be fully explained in the comments section of the question
- If licensed in multiple states, the following requirements apply:
 - Copy of NMLS verification must be attached, or current printout from the [NMLS Consumer Access](#) webpage must be provided
 - If the Correspondent has multiple branches, copies of the branch lender license (if branch licensing is applicable), or NMLS branch verification must be attached
- Lender references and contact information must be included

2.3.2 Correspondent Loan Purchase and Sale Agreement

The following is required to ensure that the Correspondent Loan Purchase and Sale Agreement (“Agreement”) is complete and acceptable:

- The complete Agreement must be received
- The Agreement must be properly executed by a principal/officer/partner who has been authorized to sign on behalf of Correspondent
- No modifications shall be made to the Agreement unless approved by ResMac in advance in writing

2.3.3 Licenses

In accordance with the [Secure and Fair Enforcement for Mortgage Licensing Act of 2008 \(SAFE Act\)](#), Correspondents are required to obtain and maintain a record through the [National Mortgage Licensing System \(NMLS\)](#), and be duly licensed and registered in each state in which they conduct business. The following is required to ensure that ResMac’s licensing requirements are met:

- Correspondent must have a correspondent lender or lender license (issued by the applicable authorities) for all states in which the Correspondent originates loans, verifiable through NMLS

2.3.4 Financials

The following Financial Statements must be provided:

- Most recent two years, reflecting net worth (as outlined in Section 2.2 Required Correspondent Qualifications), and certified to by an independent CPA or an officer/owner/partner
- Current interim balance sheet certified to and dated by an independent CPA or an officer/owner/partner
- Current profit and loss statement certified to and dated by an independent CPA or an officer/owner/partner

2.3.5 Other Requirements

The following additional requirements apply to Non-Delegated Correspondents:

- Current resumes of all principals/officers/partners, establishing a satisfactory background in the industry
- Organizational chart, reflecting the names and functional titles of key staff
- W-9 Request for Taxpayer Identification Number form, completed, signed, and dated by an officer/owner/partner
- Current fictitious business name statement or similar state document (if applicable)
- Corporations must also provide:
 - Corporate Resolution approving the doing of business with ResMac in accordance with the Agreement
 - Articles of Incorporation and any amendments thereto filed with the state
- Limited Liability Companies (LLCs) must also provide:
 - Resolution approving the doing of business with ResMac in accordance with the Agreement
 - Articles of Organization and any amendments thereto filed with the state
 - Letters of explanation for any unusual issues or concerns, such as derogatory marks against the Correspondent's license
- Information on warehouse line(s) including name of warehouse lender, line amount, the date line established, termination or renewal date
- Investor scorecards
- Copy of Fidelity Bond (minimum of \$300,000) and Errors and Omissions (E&O) insurance at a minimum of \$300,000 with a maximum deductible of \$15,000
- Proof of Mortgage Electronic Registration System (MERS) membership
- Vendor Management Plan, if Correspondent outsources any fulfillment (processing, underwriting, closing/funding) or quality control activities
- Appraisal Management Policy and Procedures
- [Quality Control \(QC\) plan](#) and most recent 3 months' QC Audits or investor score cards
- Compliance Policies related to [Fair Lending, Privacy, Data Security, and Anti-Money Laundering \(AML\)](#)
- Compliance Monitoring Policy and Procedure and results of most recent 3 months' internal compliance reviews/audits and/or third party exams/reviews
- Federal Housing Administration (FHA) approval letter (required only for Correspondents planning to originate FHA loans with ResMac)
- United States Department of Veterans Affairs (VA) approval letter (required only for Correspondents planning to originate VA loans with ResMac)
- Completed Affiliate Certification Disclosure
- Copy of Current City Business License (if applicable)
- The business is in compliance with all state and federal requirements

2.4 Warehouse Lenders

Acceptable warehouse lenders are:

- State or federally insured banks
- Independent mortgage bankers
- State or federally insured credit unions
- Investment banks
- Other warehouse lenders (subject to prior approval by ResMac)

2.5 Warehouse Lenders – Requirements

The following requirements apply to all warehouse lenders:

- Correspondent must ensure warehouse lender is notified and approves ResMac as the take-out investor before ResMac approves the Correspondent's application.
- If there are any additional warehouse lenders obtained by the Correspondent after the Correspondent's application is made this warehouse lender must also be notified and its approval of ResMac as the take-out investor obtained. Contact Production Support at productionsupport@resmac.com for more information.
- At loan closing, the warehouse lender information must match the data most recently provided by the Correspondent. ResMac validates the wire authorization with the warehouse lender for each loan purchased. If the wire authorization does not match the warehouse lender, ResMac requires the Correspondent to complete the necessary documents in order to bring the information current and assure its accuracy, prior to purchasing the loan.

Note: ResMac may re-verify the warehouse lender information however it is the responsibility of the Correspondent to supply the ResMac funding department with the correct wire information. Refer to the Annual Recertification Process (Section 2.6 below) for additional information.

2.6 Annual Recertification Process

ResMac performs an annual recertification on all Correspondents. Notices are sent at least once each year, requesting that Correspondent complete an online Recertification Correspondent Application which shall include the following:

- All requested company/Correspondent information
- All principal/owner references
- Questions/declarations must be fully completed and explanation attached as to any items answered "Yes"
- Lender contact information and references
- Signature of at least one of the officers/owners/partners
- Resolution – required if Correspondent has undergone changes in ownership or senior management (applicable to partnership, LLP, LLC, or corporation)
- Articles of Incorporation or Organization – required if Correspondent has undergone changes in ownership or senior management (applicable to LLP, LLC, or corporation)
- Form W-9 Request for Taxpayer Identification Number – completed, signed, and dated by one of the officers/owners/partners
- Current resumes of all principals are required (if ownership changed)
- A company record and an ID number on the NMLS system
- The most recent 2 years' audited financial statements
- Current interim balance sheet and P&L statement, certified and dated by an independent CPA or an officer/owner/partner

- Current QC and Compliance Monitoring Plans and most recent 3 months' QC and compliance review/audit reports (Non-Delegated Correspondents may substitute investor scorecards)
- Current Correspondent lender license (issued by the applicable authorities) is required for all states in which the Correspondent originates loans, and must be verified through NMLS

Chapter 3 - Correspondent Loan Programs

All approved products and services posted on the ResMac B2B website (www.resmacb2b.com) are available to Correspondents.

Note: Refer to the published Program Guidelines located at <http://resmacb2b.com/products/product-updates/> for correct program codes and detailed information regarding each program.

3.1 Acceptable Products

ResMac purchases Fannie Mae (FNMA), Federal Housing Administration (FHA), US Department of Agriculture Guaranteed (USDA), and US Department of Veterans Affairs (VA) eligible first-lien purchase and refinance loans (excluding reverse mortgage loans).

3.2 Higher Priced Mortgage Loans

ResMac purchases Higher Priced Mortgage Loans (HPMLs), however, the respective agency rules must be followed when originating an HPML loan for purchase by ResMac.

3.2.1 Requirements for HPML Eligibility

Correspondent must ensure the loan complies with all state and federal laws, including Regulation Z and Home Mortgage Disclosure Act (HMDA) amendments, as well as underwriting and consumer protection requirements. This includes, but is not limited to, items such as:

- Validation of repayment ability
- Verification of income and assets
- Submission of the rate spread (difference) as required by Regulation Z, HMDA, and any other local or state statutes
- Escrow accounts for taxes and insurance premiums are required on any transaction secured by a principal residence deemed to be an HPML. This includes adding state specific escrow disclosures where required. The escrow requirement is a minimum of 60 months.

Note: For condominium loans, if the Homeowners' Association (HOA) maintains a master policy insuring the unit (meeting ResMac Credit Policy requirements), only the tax portion is required to be escrowed.

3.2.2 Ineligible HPML Loans

Due to the requirements set forth under Regulation Z and HMDA amendments for HPMLs, as well as certain Agency requirements, the following are not permitted on any HPML:

- Loans with a prepayment penalty
- Any loan that is subject to any interest or payment adjustment or reset during the first 7 years (7/1 ARMs are eligible for purchase by ResMac)
- Streamline Refinance Mortgages or any loan for which assessment of repayment ability and/or verification of income and assets is not required (for example, FHA Streamline Refinances, VA IRRRLs)

Note: If an FHA Streamline Refinance or VA IRRRL is deemed to be an HPML, the loan may be eligible for sale to ResMac, provided that income, assets, and repayment ability are verified and documented, as these loan types must go through the full underwriting process like a regular refinance.

3.2.3 Required Correspondent File Documentation

When a loan has been identified as an HPML, the Correspondent must ensure that the following information is documented in the file:

- An escrow account for taxes and insurance is established and will remain on the loan for at least 5 years
- The qualifying rate for an ARM loan, with initial adjustment period after the first 7 years of the mortgage, is qualified at the higher of the fully indexed rate or the Note rate
- If the loan is an ARM, the ARM index must have been effective within 45 days of closing to be eligible (as stated on the Correspondent HPML Certification Form)
- ARM loans that have less than a 7-year ARM adjustment period (i.e., 3/1 or 5/1 HPML loans) are not allowed
- A full appraisal has been completed on the subject property (no Waivers or AVM's allowed)
- Borrowers' ability to repay has been established and income and assets are fully documented, regardless of the loan program. ResMac will assess the borrower's repayment ability based on known facts and circumstances on the date of consummation. ResMac will not extend credit without regard to the borrower's ability to repay. This includes programs such as FHA
- Streamline Refinances or VA Interest Rate Reduction Refinance Loans (IRRRLs) where traditionally, income and asset verification are not required

3.2.4 Correspondent HPML Certification Form

Due to HMDA requirements for rate spread reporting on all occupancy types, and Real Estate Settlement Procedures Act (RESPA) requirements, the Correspondent HPML Certification Form must be completed by the Correspondent on all HPML loans delivered to ResMac for purchase review. The form must be completed in its entirety and submitted with the closed loan file. Failure to do so will result in the loan being suspended until the completed form is received.

3.2.5 Average Prime Offer Rate

The Average Prime Offer Rate (APOR) information can be found on the Federal Financial Institutions Examination Council (FFIEC) website (<http://www.ffiec.gov/ratespread/aportables.htm>), as applicable:

- Fixed Rate Loans – <http://www.ffiec.gov/ratespread/YieldTableFixed.CSV>
- ARM Loans – <http://www.ffiec.gov/ratespread/YieldTableAdjustable.CSV>

Note: The HPML status is determined on the date that the interest rate is locked. The APOR rate is published every Monday by the FFIEC.

3.2.6 Qualified Mortgage (QM) and the Ability to Repay (ATR)

Correspondent must ensure the loan complies with QM and the ATR rules as outlined in the Dodd Frank Wall Street Reform and Consumer Protection Act. ResMac will not purchase none QM loans. Acceptable evidence the loan complies with QM and ATR rules is required in the final loan package.

3.3 Program Guidelines

The links to the following product guidelines and applicable product matrices are available at <http://resmacb2b.com/products/product-updates/>.

FNMA Selling Guide
FHLMC Selling Guide
FHA 4000.1

VA 26-7 Pamphlet
USDA HB-1-3555
ResMac Underwriting Guidelines

Chapter 4 – Rate Lock Policies

A loan rate lock is an agreement between a Correspondent and ResMac which specifies the number of days for which a loan's interest rate is guaranteed on a specified loan program. See [marti user manual](#) for instructions on marti functionality or contact productionssupport@resmac.com for training/assistance. Or for assistance with a rate locking please contact the lock desk at ratelocks@resmac.com.

4.1 Lock Policy

Rate locks must be executed in marti and are permitted under the following terms:

- Correspondents must be approved prior to submitting a lock request
- Changes to the terms of the loan may change the terms of the lock agreement
- Due to the nature of the market, pricing is subject to change at any time **without notice**. At such times, ResMac will suspend pricing in marti and **send notifications**; however, ResMac is not responsible for any failure of the Correspondent to receive or review any such notifications. Pricing and available rates will become effective immediately upon transmission by ResMac to the email address designated by the Correspondent.

4.1.1 Lock Terms

ResMac offers lock terms of 10, 30, 45, and 60 days. ALL rate lock requests must be executed in marti and are accepted until 3:00am EST.

Correspondents must upload a complete closed loan package in marti prior to rate lock expiration. ResMac will provide up to 5 additional business days of interest rate protection at no cost to the Correspondent assuming the terms and conditions of the original lock have been met satisfactorily and the loan is purchased. Should the loan purchase process exceed the 5 day allocation, the Correspondent shall pay an extension fee of 2.5bps per day up to 15 days. If the loan is not purchased within 15 days of extension, the lock will be subject to re-lock at worse case pricing.

4.1.2 Program Change after Lock

In the event the Correspondent delivers a closed loan to ResMac under a product different than the original product under which the loan was locked, the Correspondent shall receive the worse of either the current market pricing or the same pricing when the loan was originally locked ("worse case pricing").

Note: If the Correspondent is non-delegated and delivers a closed loan to ResMac under a product different than the original product underwritten and approved by the ResMac underwriting department, the loan shall be deemed ineligible for purchase.

4.2 Relock Policy

Relocks must be executed via the lock desk (RateLocks@resmac.com) and are permitted under the following terms:

- All loans will be subject to re-locking if the borrower's lock expires prior to closing.
- Re-locking will be worse case pricing plus 25 basis points (0.250) re-lock fee. Re-lock pricing will be calculated between original lock price vs. current market price minus a 25bps re-lock fee, whichever is worse. All accumulated extension fees apply.
- Extensions are not permitted on re-locked loans.
- If the lock has been expired for a minimum 30 days current pricing will apply
- Relock requests are only available when the lock desk is open

4.3 Extension Policy

Rate lock extensions must be executed in marti and are permitted under the following terms:

- A lock extension must be requested prior to the lock expiring.
- A rate lock may be extended for a maximum period of 30 days.
- Locks may only be extended two (2) times for a cumulative term of 30 days.
- The loan program and requested rate must be available and posted on the ResMac rate sheet.
- **Rates that are not posted are considered illiquid and are only considered on a case-by-case basis.**
Contact ratelocks@resmac.com for assistance.

Chapter 5 - Underwriting Tools and Tips

5.1 – marti

The marti system is ResMac’s proprietary business portal and Correspondents are approved to utilize all of the functionality offered. Correspondents may also access Fannie Mae’s Desktop Underwriter (“DU”) as well as the ResMac internal automated underwriting system (“AUS”) through marti. For assistance on how to use all of the functionality within marti available to Correspondents, please contact Production Support at productionsupport@resmac.com for training/assistance.

Unless a closed loan is properly registered, locked, approved and uploaded through marti, the closed loan shall not be eligible for purchase.

5.2 – marti and the AUS

The marti AUS is supported by its proprietary rules-based engine as well as Fannie Mae’s Desktop Underwriter application. While the marti AUS is a great solution for credit risk management, similar to any other AUS, it should always be considered a tool and not the ultimate answer when it comes to loan decisioning.

The following rules apply to marti:

- Loans may be documented per the AUS report, except when additional documentation is required based on the product guidelines posted at <http://resmacb2b.com/products/product-updates>.
- Manual underwriting may be permitted. Refer to ResMac Guidelines located at <http://resmacb2b.com/products/product-updates> for additional information.
- Ratios are determined by AUS, however, the maximum DTI is stated in the specific Program Guidelines located at <http://resmacb2b.com/products/product-updates> regardless of AUS approval.
- Refer to the ResMac Guidelines for acceptable AUS products located at <http://resmacb2b.com/products/product-updates>.

5.4.3 Fannie Mae Desktop Originator

The Fannie Mae (“FNMA”) Desktop Originator (“DO”):

- Allows the Correspondent to submit loans directly into DO and obtain preliminary findings, without selecting an investor or product, prior to submission of a loan into the DO engine.

5.4.4 Fannie Mae Desktop Underwriter

The following applies to the FNMA Desktop Underwriter (“DU”):

- marti allows the Correspondent to submit loans directly into DU without selecting an investor or product prior to submission of a loan to ResMac for prior approval underwriting.
- DU is available to the Correspondent through marti. Once the file is uploaded into marti, the Correspondent can run DU within this system and obtain the AUS finding.

- When the loan is submitted to DU, the system will generate a DU Findings Report and AUS Underwriting Analysis.
- The DU Findings Report identifies the DU recommendation and other messages concerning the loan, including the conditions for approval.
- The AUS Underwriting Analysis identifies pertinent summary information on the loan characteristics such as LTV, ratios, property type, transaction type, and number of months required for reserves.
- A letter that is acceptable to ResMac must be provided by the Correspondent to explain the reason for excessive submissions if the AUS addresses excessive submissions.

5.4.5 Freddie Mac Loan Prospector

The Freddie Mac (“FHLMC”) Loan Prospector (“LP”) system:

- Allows the Correspondent to submit loans directly into the FHLMC LP system without selecting an investor or product, prior to submission of a loan into the AUS engine.
- LP-approved loans are acceptable. Refer to Program Guidelines for additional details.
- Correspondent must provide a printout of the LP findings when submitting the closed loan.

5.4.6 Guaranteed Underwriting System – USDA Rural Housing Automated Underwriting System

The United States Department of Agriculture (USDA) Guaranteed Underwriting System (GUS):

- Is available to Correspondents approved with USDA to originate and close loans under the Rural Housing Program.
- Correspondents must provide the final GUS approval with loan submission to ResMac

5.5 Government Loan Programs

5.5.1 FHA Programs

To qualify loans for ResMac FHA Programs, the Correspondent must be approved to:

- Meet the criteria set forth by the Department of Housing and Urban Development (HUD).
- Be in a principal/authorized agent relationship with ResMac (applies only to Non-Delegated Correspondents).
- Be a FHA Direct Endorsement Mortgagee (applies only to Delegated Correspondents).

5.5.2 Technology Open to Approved Lenders (TOTAL) Scorecard Required

The details for this program are located in the ResMac Underwriting Guidelines available at <http://resmacb2b.com/products/product-updates>.

5.5.3 VA Loan Programs

The following applies to US Department of Veterans Affairs (VA) loans:

Non-Delegated Correspondents:

- VA programs are available to approved Correspondents that have been set up with VA as authorized agents and approved through ResMac. Refer to Chapter 1 of the [VA Lender’s Handbook](#) for additional information regarding the relationship between Lender and Authorized Agent, or contact the local VA Regional Loan Center for guidance.
- Correspondent must execute an Agency agreement to become approved with ResMac to close loans in Correspondent’s name. Please contact productionsupport@resmac.com for more information.

Delegated Correspondents:

- Correspondent must be approved by the US Department of Veterans Affairs as a Lender with Automatic Authority and must be fully approved by ResMac as a delegated Correspondent.

5.5.4 USDA – Rural Housing Program

United States Department of Agriculture (USDA) offers unique financing to those borrowers who qualify under income criteria on the purchase or refinance of properties that are located within a qualified jurisdiction. However, as USDA is granted funds annually for this program, there is a chance funds may not be available when the loan is ready for guaranteeing. The Correspondent should obtain the most recent information regarding funds availability from the local USDA office. Correspondent may request reserve funds as permitted by the USDA. USDA funds are available under the following restrictions:

- Correspondent must be an approved lender with the USDA (not acting as an agent on ResMac' behalf).
- Correspondent must underwrite through GUS and must submit to the Regional Rural Development office.
- Correspondent must originate and close FHA loans.
- Evidence must be provided of the guarantee fee paid to Rural Housing prior to purchase.
- Loan Note Guarantee must be submitted by Correspondent within 30 days of closing.
- Correspondent must submit the following information to the Regional Rural Development office to obtain lender approval:
 - Statement indicating the Correspondent's lending institution type of operation (retail, wholesale, loan servicer, etc.), the specific states or counties in which business is conducted, and complete contact information for the individual serving as the primary contact for the Correspondent's Guaranteed Rural Housing (GRH) loans.
 - Complete contact information for Correspondent's branch locations, loan processing/underwriting departments, loan servicing, and a contact person for loan production.
 - A signed/dated Form RD 1980-16, Agreement for Participation in Single Family Housing Guaranteed/Insured Loan Programs of the US Government.
 - Verification of the Correspondent's current eligibility certification and the agency-assigned ID numbers from at least one of the following:
 - HUD – FHA Approval for Title II (with direct endorsement authority).
 - VA (Federal VA approval with automatic guarantee authority).
 - FNMA – Form 582 Lender Record Information.
 - FHLMC – Form 16SF Annual Eligibility Certification Report.
 - Federal Home Loan Bank (FHLB) Membership Letter and N/O Exception Required.
 - Statement of participation as an approved lender in guaranteed loan programs of the Rural Housing Community Development Service, Rural Business-Cooperative Development Service, Rural Utilities Service, or Consolidated Farm Service Agency.
 - Federal Tax ID Number.
 - Names, titles and responsibilities of Correspondent's principal officers (senior management staff).
 - An outline of the Correspondent's internal loan criteria for reviewing a borrower's credit history and loan repayment ability, indicating which standard HUD-FHA, Federal VA, FNMA or FHLMC guidelines Correspondent is using.
 - Copy of Correspondent's Quality Control (QC) plan for monitoring production and servicing activities.

Note: Refer to Rural Development Instruction [HB-1-3555](#) Lender Participation for additional information regarding eligibility and lender responsibilities. Questions regarding lender participation can be directed to the Correspondent's local Rural Development State Office.

5.5.5 USDA Program – USDA Guarantee Fee

Refer to Program Guidelines available at <http://resmacb2b.com/products/product-updates>.

5.6 Credit Requirements and Documents

Refer to Program Matrices located at <http://resmacb2b.com/products/product-updates>.

5.7 Loan Quality Initiative (LQI)

The Correspondent is required to comply with the FNMA/FHLMC Loan Quality Initiative for all Conventional loan applications dated on or after June 1, 2010. Among the requirements noted in the LQI are:

- Confirmation that all parties to the mortgage transaction meet certain qualifications.
- Determination that all borrowers' debts are included in the qualification for the mortgage loan.

5.8 Limited Denials of Participation and General Services Administration Lists

The following applies to Limited Denials of Participation (LDP) and General Services Administration (GSA) lists:

- Correspondent must confirm that no parties to an FHA loan, including third party vendors such as appraisers, are on the LDP and GSA excluded parties list.
- These lists of excluded parties are public, federal, and government lists; should any party to the transaction appear on either of these lists, the loan will be ineligible for purchase by ResMac
- LDP printouts are obtained through the [HUD LDP webpage](#).
- GSA printouts are available through <https://www.sam.gov/portal/public/SAM/>.

5.8.1 Credit Refresh

Recognized credit vendors, available through marti, currently have a Credit Refresh product that will provide the Correspondent with a revised, updated credit report (without FICO scores) containing any material changes to the borrower's credit profile. A Credit Refresh must be provided if the credit report in the file is greater than 30 days old. The purpose of this report is to capture any activity on a borrower's credit that occurred after the initial (or most recent) credit report was pulled. The Credit Refresh report is acceptable under the following conditions:

- Document should show any new reported activity and should not contain any credit scores.
- Changes to the borrower's credit that are within tolerance (3% rounded up), will not require a resubmit to DU.
- If changes to the borrower's credit exceed the tolerance, then the updated credit report must be uploaded into the AUS system and must be rerun thru DU.
- The Credit Refresh report must be received along with revised AUS and appropriate documentation.

5.9 Mortgage Insurance

Correspondent should refer to current Mortgage Insurance (MI) and coverage requirements, published by individual MI companies, as well as the Correspondent Program Guidelines available at <http://resmacb2b.com/products/product-updates>.

5.10 Approved States and State Restrictions

ResMac purchases loans secured by properties in multiple states (“Approved States”) with the following additional restrictions:

- Properties located in Lava Flow Hazard Zones 1 or 2 in the state of Hawaii, are not eligible, as determined by the US Geological Survey.
- A full appraisal is required on all properties in Texas regardless of AUS findings.
- The web-page located at <http://resmacb2b.com/products> contains a current listing of Approved States. Contact productionssupport@resmac.com for information on any pending State approvals.
- Correspondent must be approved with the appropriate state licensing authorities and in good standing in order to lend in a particular state.
- Proof of state approval must be presented for Correspondent loans to be considered for purchase.
- Correspondent is responsible for adhering to all federal, state, municipal, and other applicable legal and regulatory requirements.
- Some states require Net Tangible Benefit or Benefit to Borrower calculations (and specific form completion). Follow appropriate agency and state guidelines for correct documentation.

5.10.1 Community Property

Follow applicable state, agency, and Program Guidelines regarding loan origination in the following community property states:

Arizona	Louisiana	Texas
California	Nevada	Washington
Idaho	New Mexico	Wisconsin

5.11 Pre-Funding Quality Assurance

Correspondent is responsible for maintaining Quality Control (QC) procedures, as required by Fannie Mae, Freddie Mac, and if applicable, FHA and VA, and as described in the Correspondent’s quality control policy provided at time of Correspondent approval or review approval.

5.12 Fraud Prevention

5.12.1 IRS 4506-T Tax Transcripts Request Form

The IRS 4506-T Tax Transcript Request form:

- Is used to validate that the current income used to qualify for the loan is reasonable compared to the borrower’s prior earnings. Acceptable results are required on all borrower income, and on all loan programs (with the exception of FHA Streamline Refinances) for loan purchase eligibility.
- Correspondent must adhere to AUS findings for number of years verification required, however, all borrower income must be verified based on the results of the 4506-T.
- Any difference between the income validated by the tax return information provided, and the income used to qualify in the AUS results, must be reasonable and fully supported by additional documentation in the loan file.
- Correspondent may wish to order a Record of Account from the IRS if the borrower has filed amended returns.

5.12.2 Social Security Validation

A Social Security validation is required, and when used in conjunction with the credit report and borrower documentation, the validation enables the Correspondent to determine the accuracy of the information provided.

Chapter 6 – Loan Purchasing

6.1 Closed Loan Submission Package

Correspondents must upload all closed loan packages through marti subject to the following terms:

- Correspondent must submit file in compliance with the Closed Loan Submission Form located at <http://resmacb2b.com/forms>. Need Form
- For instruction on how to submit a closed loan in marti, please access the marti user manual located at <http://resmacb2b.com/wholesale-center/training-and-manuals> or contact Production Support for training/assistance.

6.2 Seasoning for Closed Loans

ResMac requires all closed loans be delivered on or before 45 days after the Note date. Loans aged longer than 45 days are not eligible for purchase. Additionally, if a loan was declined by another investor, the declination letter must be included. Loans cannot be held in cash. Pricing for loans aged more than 30 days shall be decided on a case-by-case basis. Please contact ratelocks@resmac.com for pricing information.

6.3 Suspended Loans

Once closed loan package has been reviewed, and should the loan status be updated to *purchase package deficient* (“suspended”) in marti, the following conditions apply:

- Suspense conditions must be cured within thirty (30) calendar days from the date of the suspense.
- If the suspended loan is not cured and ResMac has received the original Note, the Note endorsement will be canceled, and the Note returned to the Correspondent’s warehouse lender or custodian.

Chapter 7 - Appraisal

7.1 Appraiser Independent Requirements

ResMac’ appraisal policy adheres to the requirements set out by the Appraiser Independence Requirements (AIR) developed by Fannie Mae and Freddie Mac.

7.1.1 Appraisal Quality Control

Samples of the appraisals or valuations that are used by the lender are randomly selected for Quality Control (QC) inspection performed through field review. These field reviews will be completed by an appropriately licensed appraiser who is not affiliated with the original appraiser or firm in any way, and will be completed using FNMA Form 2000 or Form 2000A (for one-unit and two to four unit properties, respectively). Any adverse, negative, or irregular findings of such quality control testing, and any findings indicating non-compliance with any provision of the AIR or any applicable law will promptly be referred to the applicable State appraiser, certifying and licensing agency, or other relevant regulatory bodies.

7.1.2 Appraisal Misconduct Reports

Any appraiser or appraisal management company violating applicable laws, or otherwise engaging in unethical conduct, is promptly reported to the applicable State appraiser, certifying and licensing agency, or other relevant regulatory bodies.

7.1.3 Statement of Policy and Procedures in Accordance with AIR

Correspondent must maintain the highest levels of quality and integrity for all aspects of real estate financing, including meeting all AIR requirements. As such, the Correspondent is required to maintain strict adherence to the AIR requirements. Correspondents must be aware of methods used for appraiser engagement, and avoid all improper influences on appraisers. Please refer to:

- [FAQs from Freddie Mac](#)
- [FAQs from Fannie Mae](#), dated November 2010.
- [HUD Mortgagee Letter 2009-28](#)

7.2 Appraisal Requirements

7.2.1 Uniform Appraisal Data Set

The following requirements are specified by the Uniform Appraisal Data Set (UAD):

The appraisal forms must:

- Meet UAD standards.
- Comply with Agency UAD requirements effective September 1, 2011.
- The following table lists appraisal forms that either require or do not require compliance.

Compliance Required	Compliance NOT Required
1004,1073,1075,2055	2075,1025

Note: Program specific appraisal requirements are published in ResMac’ Program Guideline.

7.2.2 Portability of Appraisals

The Company accepts properly documented AIR-compliant appraisals assigned by another lender under certain programs, provided the appraisals meet ResMac’ guidelines.

- Correspondent must provide the SSR in compliance with UCDP.
- FHA appraisals must be ordered in compliance with HUD guidelines, and as such, fall under the HUD requirements for portability.
- Only appraisals that contain a certification from the ordering lender, stating that the appraisal is AIR Compliant, are acceptable for purchase.
- Appraisals delivered in another lender’s name must remain in that lender’s name.

7.2.3 FNMA Appraiser Independence Requirements (AIR)

Access the Fannie Mae [Appraiser Independence Requirements](#) for information regarding the most recent published guidance.

Chapter 8 - Closing Process

8.1 Closing Documents

The Correspondent must adhere to the following requirements when preparing closing docs:

- All Correspondent closing documents must meet requirements as set forth in this Seller Guide and the Company's Program Guidelines located at <http://resmacb2b.com/products/product-updates>.
- Government loans must have per diem calculated using 365 days, however, either 360 or 365 is acceptable for conventional loans, unless otherwise provided by state law or usury provision(s) for the state.
- The mortgage instrument must contain the Correspondent's Mortgage Electronic Registration System (MERS) registered loan Mortgage Identification Number (MIN).
- Correspondent must use the Correspondent's loan number on all closing documents.
- Correspondents with existing DocMagic accounts should add ResMac CLD forms. Please contact: Customer Support 800-649-1362 ext. 6338, customerservice@docmagic.com.

8.2 Mortgage Electronic Registration System (MERS)

The following requirements apply to Correspondent access to MERS:

- Pursuant to the Company's Correspondent Seller Agreement, Correspondent agrees to maintain an active account with MERS and execute all closing documents with a valid MIN.
- The Mortgage Instrument must contain the MIN, which is obtainable by registering the loan in the MERS system.
- Beneficial and Servicing rights to the loan should be transferred to ResMac within the MERS system within one day of purchase, using the ResMac Originator ID #1009401.

8.3 Closing Requirements

The following requirements must be followed by the Correspondent at closing:

- It is ResMac's policy to allow loans to fund a maximum of five (5) days into the month (which leaves the borrower with less than thirty (30) calendar days before the first payment is due), and requires a hardship letter signed by the borrower.
- Verbal Verification of Employment must be completed and properly documented by the Correspondent prior to funding the loan per the Underwriting Guidelines located at <http://resmacb2b.com/products/product-updates>.
-

8.4 File Delivery Instructions

Original collateral packages are to be delivered to:

ResMac
6501 Congress Ave, 2nd Floor
Boca Raton, FL 33487
Attention: Collateral Department

Original collateral package must include:

Original Note, endorsed as follows:

Pay to the order of ResMac, Inc., Without Recourse

Correspondent Company Name

By: (signature of authorized officer)

Its: (authorized officer title)

Note: In the absence of a proper endorsement on the Original Note, the Correspondent may provide a properly executed Allonge.

8.5 Document Submission

8.5.1 Credit File

ResMac requires a complete imaged loan file uploaded in marti. See the ResMac Closed Loan Submission Form located at <http://resmacb2b.com/forms>. As always, should assistance be needed, please contact productionssupport@resmac.com.

In addition to a complete credit package, all closing documents, including copies of the Note and Allonge, must be delivered in satisfactory condition through marti. Collateral documents must be originals.

Closing package upload should include the following documents in the imaged package:

- Copy of the original Note.
- Copy of the original Mortgage/Deed of Trust, and any riders as indicated on the Mortgage/Deed of Trust must be stamped certified true copy of the original sent for recording, and include a signature, along with the name of the title company.
- Copy of the Title Commitment or original Title Insurance Policy if it has been issued.
- Copy of the Power of Attorney, if used to execute Note or Mortgage/Deed of Trust. Copy of POA must be stamped certified true copy of the original and include a signature, along with the name of the title company. Please refer to ResMac Underwriting Policies located at <http://resmacb2b.com/products/product-updates> for transactions involving POA's.
- Copy of any guarantee executed in connection with the Note.
- Copy of the Private Mortgage Insurance Certificate, (if applicable).

Original collateral documents shall be provided as noted in Section 8.4. The original Promissory Note, original Allonge, and the original of any guarantee executed in connection with the Note, must be received by ResMac on or before the lock expiration date. For Government Insured Loans, the Mortgage Insurance Certificate, the Loan Note Guarantee, or the Loan Guaranty Certificate, as applicable, must be received by ResMac within thirty days of ResMac' purchase of the Loan. The remaining collateral documents ("Trailing Documents") must be received by ResMac within 180 days of date of the purchase of the loan by ResMac.

The collateral documents are defined as:

- The original Note.
- The original Mortgage/Deed of Trust, and any riders as indicated on the Mortgage/Deed of Trust with evidence of recording thereon, or a copy of the original Mortgage/Deed of Trust, and any riders as indicated on the Mortgage/Deed of Trust with evidence of recording thereon, certified by the public recording office in those instances where the public recording office retains the original.
- The original Title Commitment or original Title Insurance Policy if it has been issued.
- The original Power of Attorney, if used to execute Note.
- The original of any guarantee executed in connection with the Note.
- For Government Insured Loans, the Mortgage Insurance Certificate, the Loan Note Guarantee, or the Loan Guaranty Certificate.

Note: If the security instrument is a MERS Originated Mortgage (MOM) document, the above requirements may be waived on the Deed of Trust copy.

8.5.2 Purchasable Loans

All loan files received by ResMac must arrive in purchasable condition.

The file must meet all the requirements of:

- Product and program parameters
- Federal, state and local laws and regulations
- Industry standards, and the standards of any applicable Guarantor, Insurer, or Investor
- This Guide, including any updates, and the Correspondent Agreement, and ResMac specific documentation.
- The loan must be funded through a ResMac approved warehouse lender, as identified in this Guide.
- Loans will be reviewed by ResMac, and the Correspondent will be notified via the Loan Decision Notification, if any conditions are required to be met in order to satisfy ResMac loan purchase requirements.

8.5.3 Delinquent Loans

Loans must be current at the time of purchase.

8.5.4 Appraisal

The appraisal must be in color and include pictures of the subject property and comparable properties.

8.6 Government Closed Loans

8.6.1 Insurance Requirements

Correspondent must obtain insurance/guaranty of FHA and VA loans. Loans must be insured/guaranteed within 30 days after the date of loan closing.

8.6.2 FHA, VA, and USDA Government Loans

The following information applies to FHA and VA government loans:

- Correspondent is required to provide proof of upfront Mortgage Insurance Premium (MIP), or a Veterans Affairs Funding Fee (VAFF), or a USDA Guarantee Fee paid before closed loan is purchased by ResMac
- Delivery email for insuring documents should be sent to: postclosing@resmac.com.
- The MIC for FHA loans, and the LGC for VA loans, LNG for USDA loans must be provided by Correspondent to ResMac within 30 days after loan closing.
- Correspondent must complete a Case Transfer in FHAC (Mortgage Record Change) on all FHA closed loans, after the file is insured and purchased by ResMac
- Delivery email for trailing documents: postclosing@resmac.com

Note: Post Closing Deficiencies are closely monitored by ResMac and notification of deficiencies will be sent to the Correspondent.

Chapter 9 - Non-Delegated Correspondent Supplemental Information

The purpose of this section is to outline the differences between the requirements/restrictions applicable to Delegated and Non-Delegated Correspondents. Non-Delegated Correspondents (“NDC”) must submit each loan to ResMac for underwriting approval before the loan can be purchased by ResMac.

This section focuses on key aspects that pertain exclusively to NDCs. Except as otherwise specifically stated in this Section or other Sections of this Seller Guide, all provisions of this Seller Guide will apply both to Delegated and Non-Delegated Correspondents.

Note: The information provided in this section does not supersede any of the Non-Delegated information included in other sections of this Seller Guide.

9.1 Program Participation Requirements

9.1.1 Application Process

Applicants interested in becoming approved as a ResMac NDC should contact their Account Executive or Production Support who will, upon satisfactory pre-qualification, provide them with access to the online Non-Delegated Application available through marti.

9.1.2 Additional Qualification Requirements

NDCs must meet the minimum criteria outlined in Section 2.2 of this Seller Guide. The net worth and warehouse line capacity requirements outlined for Delegated Correspondents differ from the requirements for Non-Delegated Correspondents. ResMac requires Non-Delegated Correspondents to secure the following:

- Net Worth: A minimum unaudited net worth amount of \$75,000.
- Warehouse Line Capacity: A traditional warehouse facility with a minimum line amount of \$1,000,000.

Note: Financials have to be prepared by an outside accounting firm. If available, audited financials are to be provided but are not required.

9.1.3 Approval Package – Required Documents

In order to be considered for approval as a ResMac NDC, the applicant must:

- Complete the NDC Online Application,
- Provide all of the documentation outlined in the NDC Checklist, and
- Sign the NDC Loan Purchase and Sale Agreement.

9.2 Acceptable Loan Programs

ResMac purchases Fannie Mae (FNMA), Freddie Mac (FHLMC), FHA, VA and USDA eligible first-lien purchase and refinance loans (excluding reverse mortgage loans) from NDCs. All other loan programs are ineligible for purchase.

9.3 Loan Submission and Approval Procedures

NDCs must utilize the marti and follow the procedures for submitting, locking, and closing loan files as outlined in sections 4, 5, 6 and 8 of this Seller Guide with the exceptions summarized below.

Note: NDCs are responsible for monitoring the performance of all 3rd-party service providers used by the Correspondent in connection with the origination or processing of loans submitted to ResMac.

9.3.1 Process for Submitting Loans to ResMac Underwriting for Prior Approval

The following outlines the loan submission process designated for NDCs:

- Log into marti
- Upload the 3.2 file, complete the required loan data points in the marti pages, and attain “approve/eligible” findings – see marti user manual for further instruction located at <http://resmacb2b.com/wholesale-center/training-and-manuals>.
- Upload all documents needed for underwriting per the marti conditions. ResMac will underwrite the file and issue a loan decision in marti. All applicable NDC personnel will be notified once this occurs by a marti notification email.
- Upload all documentation necessary to satisfy the underwriting and closing conditions. ResMac Underwriting will issue a final approval notifying the NDC the loan is clear to close.

Note: Some NDCs also broker loans to the ResMac Wholesale Division. NDCs will follow the same process for brokering up to the point of final approval. When brokering a loan, ResMac will complete a final compliance review, generate closing documents, and fund the transaction.

9.3.2 Repurchase and Indemnification Liability

ResMac will not seek recourse against a NDC for repurchase, indemnification or any other loss or expense incurred by ResMac on a loan, which repurchase, indemnification, loss or expense directly results from an error in underwriting activity performed by ResMac on behalf of the NDC, except to the extent such error resulted from information provided to or withheld from ResMac by the NDC.

Chapter 10 - Disaster Policy

When disasters occur or are impending during the lending process, in any area that could affect any current loan transaction, ResMac requires the Correspondent to take specific steps to ensure the property was not affected by the disaster.

10.1 Re-Inspection Requirements

The table below specifies the types of disasters that require the Correspondent to obtain a re-inspection on the subject property.

Disaster Type	Required Inspection
Fire	Exterior only
Flood	Interior and exterior
Hurricane	Interior and exterior (due to flooding possibility)
Tornado	Exterior only
Earthquake	Exterior only

It is the Company's recommendation that lenders wait until pending disasters have passed, and are not expected to circle back (as in the case of a wildfire or hurricane), before a re-inspection is performed. The very nature of disasters, their unique circumstances, the unexpected timing, and varied impacts, precludes a complete listing of factors to be considered when evaluating a disaster declaration scenario. Additionally, the following must be provided:

- 1004D with photo(s): All disaster inspections require an Appraisal Update and/or Completion form.
- Change of Circumstance (COC) form: Due to increased cost of inspection to the borrower, any fees associated with a re-inspection require a COC form, resulting in re-disclosure, and adherence to all appropriate wait-time requirements, on all but closed loans.

10.2 Appraisal Considerations

Follow the instructions below to properly document a loan, when the subject property is located in a recent disaster area.

- Determine if the appraisal was completed before or after the date the disaster took place.
- Locate the related item in the table below, and follow outlined requirements.

If the appraisal was:	Then...
Completed after the date the disaster took place and the Appraiser did not comment	An affirmative comment that the property was not affected by the recent disaster is NOT required, unless a review of the photos indicates otherwise.
Completed after the disaster and the Appraiser noted disaster damage	Underwriter should consider the possible effect on the subject property by the issues noted and if it could have any impact on the marketability or value of the property. Minor damage that does not affect the safety, soundness, or structural integrity of the home may be acceptable. If Underwriter determines further documentation is necessary: <ul style="list-style-type: none"> • A 1004D with photos is required. • A Disaster Inspection Certification can also be obtained prior to funding. • If more than 14 days passed since the property was inspected, an additional Disaster Certification may be required.
Completed before the disaster took place	A form 1004D re-inspection with interior of the property is not acceptable and exterior photos of the property is required, or <ul style="list-style-type: none"> • A Disaster Inspection Certification may be obtained; however, it must address the physical condition of the site and improvements. It does not need to address value trends. (Not permitted on FHA loans per Mortgagee Letter 2012-23 must be an FHA roster appraiser). • If the condition of the subject property is acceptable, the value conclusion made prior to the disaster is acceptable. • If the condition is not acceptable, all damages must be repaired and property must be in marketable condition prior to funding.
Was not required because of the type of product does not require an appraisal	ResMac requires an inspection of the property, even though the inspection may not be an agency requirement.

10.3 Loan Programs that Do Not Require Appraisals

Certain loan programs, such as Streamlines, IRRRL’s, PIWs, etc., do not require appraisals. The following requirements apply to these programs:

- Properties should still be evaluated by reviewing the Disaster Policy and Disaster Update.
- If the property is located in a disaster declared county, a Disaster Inspection Certification is required prior to closing to ensure collateral is acceptable.
- Due to recent natural disasters in certain areas of the country, properties located in those designated counties and/or areas must comply with ResMac Disaster Policy and property re-inspection requirements. The Disaster Policy must be implemented during an ongoing disaster, and up to 90 days after the disaster has ended, or until otherwise noted.

Note: For the latest disaster information, refer to the FEMA disaster listing at <http://www.fema.gov/> and to the ResMac Disaster update notification, which is revised and highlighted as new incidents are reported on the FEMA website.

10.4 FEMA Disaster Declaration

When a disaster is declared by the Federal Emergency Management Agency (FEMA), varying levels of assistance become available. The table below states the circumstance in which re-inspection is required.

Disaster Scenario	Available Assistance	Re-Inspection Requirements
Federally-declared disaster areas	Individual assistance	Subject to ResMac re-inspection policy.
Federally-declared disaster areas	Public assistance or hazard mitigation assistance	<ul style="list-style-type: none"> • Do not require a re-inspection. • Listed on the Disaster Matrix for reference only

Note: Fire management assistance areas and emergency declarations listed on the Disaster Update are NOT federally declared disasters and are included for reference only. If the collateral is in a federal fire management assistance area or emergency declaration area and there is no appraisal, the location of the property in relation to the disaster should be obtained to determine proximity and required steps.

Chapter 11 – Compliance

11.1 Correspondent’s Compliance Responsibilities

All guidance and information contained in this document should in no way be construed as an offer of legal advice by ResMac or its affiliates. The Correspondent should seek independent legal opinion(s) from qualified sources for legal determination. ResMac provides helpful tools, policies, procedures and requirements that the Correspondent should follow when seeking the purchase of a closed loan. Correspondent must comply with all federal, state, local and municipal laws, ordinances, rules and regulations including without limitation, usury, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, fair housing, and lending disclosure laws.

Correspondent must originate each mortgage loan in compliance with the applicable agency underwriting guidelines and in 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, the following:

- Equal Credit Opportunity Act (ECOA and Regulation B)
- Fair Housing Act
- Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)
- Consumer Credit Protection Act
- Fair Credit Reporting Act (FCRA)
- Truth-in-Lending Act (TILA and Regulation Z)
- Mortgage Disclosure Improvement Act (MDIA)
- USA PATRIOT Act
- Real Estate Settlement Procedures Act (RESPA - Regulation X)
- Home Mortgage Disclosure Act (HMDA – Regulation C)
- Home Ownership and Equity Protection Act (HOEPA)
- Secure and Fair Enforcement for Mortgage Lending Act (SAFE Act)
- Appraisal Independence Requirements (AIR)
- Regulations issued by the Financial Crimes Enforcement Network (OFAC)
- Anti-Money Laundering Requirements (AML)
- Dodd-Frank Act (DFA)
- Ability to Repay/Qualified Mortgage Requirements (ATR/QM)

Note: We understand that lenders have varying processes and what works for one may not be appropriate for another. As always we encourage Correspondents to seek independent legal opinion(s) and compliance advice from qualified sources.

11.2 Disclosure Requirements

- The following outlines ResMac disclosure requirements:
- Correspondent is required to comply with all Federal disclosures, as well as any state, local ordinances, or municipal-specific disclosures and requirements and loan program-specific disclosures.
- Correspondent must submit the file in compliance with all applicable governing statutes, regulations, and guidelines, including but not limited to Equal Credit Opportunity Act (ECOA), Regulation B, Consumer Credit Protection Act, Fair Credit Reporting Act (FCRA), Fair and Accurate Credit Transactions Act of 2003 (FACTA), Customer Identification Program (CIP) and the USA PATRIOT Act, TILA, Regulation Z, RESPA, Regulation X, HOEPA, MDIA/HERA, TILA-RESPA Integrated Disclosure (TRID), and Net Tangible Benefit to Borrower determinations as required.

11.3 Anti-Predatory and High Cost Loan Policies

ResMac will not purchase mortgage loans that exceed any federal, state, or local high cost laws or regulations or loans that violate any anti-predatory loan requirements under federal, state, or local laws or regulations.

- ☐ Correspondent is required to verify that the loan does not exceed any state predatory lending law thresholds and/or is not considered a high cost loan.
- Correspondent warrants that Correspondent has not engaged in any form of predatory lending in connection with any mortgage loan being sold to ResMac. Predatory lending is defined as any unfair, deceptive and/or abusive acts or practices that are not in the best interest of the borrower. It includes situations in which the Correspondent has not underwritten the loan properly to determine whether the borrower has an ability to repay the mortgage loan or where there are frequent refinancing transactions on a property and the borrower's equity is stripped out.
- Correspondent warrants that it engages in responsible lending that provides a tangible benefit to the borrower and the mortgage loan submitted for purchase contains the evidence and verification of the borrower's ability to repay the loan.
- Correspondent further warrants that it will use best efforts to ensure that each loan offered to a borrower is consistent with the borrower's situation and needs.

11.4 Ability to Repay (ATR) and Qualified Mortgages (QM)

Effective with applications dated January 10, 2014 and later, ResMac will only purchase loans in which the borrower's ability to repay has been established as laid out in TILA and that the loan is a qualified mortgage or is one of the exemptions to the qualified mortgage rule.

- Loans submitted for purchase to ResMac will not have risky loan features such as exceeding a 30 year amortization, a balloon feature, and a no interest only feature.
- The Correspondent warrants that the loans submitted to ResMac for purchase do not exceed the QM points and fees test for the actual loan amount.
- Correspondent warrants that the loans submitted for purchase by ResMac meet all ATR/QM requirements as established under the Truth in Lending Act, Regulation Z, and its Official Staff Commentary.

11.5 Fair Lending

Correspondent understands and acknowledges that ResMac is fully committed to the principles of Fair Lending and requires each of its business partners, including Correspondent, to follow similar principles. Correspondent must adhere to all federal Fair Lending laws, including the Fair Housing Act and ECOA, as well as any applicable state Fair Lending laws. Correspondent must treat all applicants and borrowers in a fair and consistent manner and without regard to race, color, religion, national origin, age (provided the applicant or borrower has legal capacity to enter into a binding contract), sex, marital status, disability, familial status, receipt of public assistance, or exercise of rights under the Consumer Credit Protection Act, or any other prohibited basis identified under state law.

Correspondent is responsible for implementing policies and procedures to ensure compliance with Fair Lending laws and ensuring that its owners, officers, partners, agents and employees are all adequately trained in Fair Lending policies and procedures and kept abreast of any changes or updates to Fair Lending laws.

11.6 Anti-Money Laundering (AML)

ResMac requires that Correspondents comply with all requirements of the Bank Secrecy Act (BSA), Anti-Money Laundering regulations, and Suspicious Activity Reporting requirements. Correspondent must ensure the accurate, verified, and appropriate identification of its borrowers in accordance with requirements of the BSA. Any suspicious activity identified on loans submitted to ResMac must be reported to ResMac. All reporting is confidential, as ResMac does not retaliate against any person for reporting suspicious activity, fraud, money-laundering, and suspected or actual criminal activity. ResMac will review any suspicious activity and determine if filing a Suspicious Activity Report (SAR) and/or other actions are warranted.

11.7 Privacy

11.7.1 Confidential Information

Each party hereto (as a Recipient) may have access to and each party hereto (as an Owner) may provide to the other party, information that such party, as an Owner regards as confidential or proprietary. Confidential Information includes, but is not limited to, the following information, whether now in existence or hereafter created: (a) any and all information of or about either party's customers of any nature whatsoever, and specifically including without limitation, the fact that someone is a customer or prospective customer of either party, all lists of customers, former customers, applicants and prospective customers and all personal or financial information relating to and identified with such persons (Customer Information); (b) all business, financial, technical, and pricing information of Owner and any of such Owner's vendors; (c) such Owner's technological developments and other similar proprietary information and materials; (d) all information marked as confidential or similarly marked, or information that such Recipient should, in the exercise of reasonable business judgment, recognize as prepared by such Owner, Recipient or others, which contain or otherwise reflect Confidential Information; (e) all Proprietary Product of ResMac, and; (f) all Proprietary Software of ResMac. The Correspondent Agreement and related contract documents shall also be considered Confidential Information of ResMac.

11.7.2 Exceptions

Except for Confidential Information obtained from a customer, the term Confidential Information excludes any portion of such information that Recipient can establish to have been: (a) publicly known without breach of this Agreement; (b) known by Recipient without any obligation of confidentiality, prior to disclosure of such Confidential Information; (c) received in good faith from a third-party source that to Recipient's reasonable knowledge rightfully disclosed such information; or (d) developed independently by Recipient without reference to Owner's Confidential Information. If Recipient is required by a court or governmental agency having proper jurisdiction to disclose any Confidential Information, Recipient must promptly provide to Owner notice of such request to enable Owner to seek an appropriate protective order.

11.7.3 Security and Use

Each party must establish and maintain data security policies and procedures designed to ensure the following: (a) security and confidentiality of Customer Information; (b) protection against anticipated threats or hazards to the security or integrity of Customer Information; and (c) protection against the unauthorized access or use of Customer Information. Confidential Information must be held in confidence and disclosed only to those employees or agents whose duties reasonably require access to such information. Recipient may use the Confidential Information only as necessary for Recipient's performance hereunder. Recipient must protect Owner's Confidential Information using at least the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, disclosure or duplication (except as required for backup systems) of such

Confidential Information as Recipient uses to protect its own Confidential Information of a similar nature. Recipient's limited right to use the Confidential Information expires upon expiration or termination of the Correspondent Agreement for any reason. Recipient's obligations of confidentiality and non-disclosure survive termination or expiration for any reason of the Correspondent Agreement.

11.7.4 Return or Destruction

Recipient is required to develop appropriate security measures for the proper disposal and destruction of Confidential Information. Upon expiration of Recipient's limited right to use the Confidential Information, Recipient must return all physical embodiments thereof to Owner or, with Owner's permission, Recipient may destroy the Confidential Information (except for any backups thereof).

11.7.5 Disclosure

If disclosure of Confidential Information to third parties is required or allowed under this Privacy Section of the Guide, Recipient must ensure that such third parties have express obligations of confidentiality and non-disclosure substantially similar to Recipient's obligations hereunder. Liability for damages because of disclosure of Confidential Information by any such third parties must be borne by Recipient. If Recipient or any of its representatives or agents breaches the covenants set forth in this Privacy Section of the Guide as to Confidential Information, irreparable injury may result to Owner or third parties entrusting Confidential Information to Owner. Therefore, Owner's remedies at law may be inadequate and Owner shall be entitled to seek an injunction to restrain any continuing breach. Notwithstanding any limitation on Recipient's liability, Owner shall further be entitled to any other rights and remedies that it may have at law or in equity.

11.7.6 Security Breach

If there is any actual or suspected theft of, accidental disclosure of, loss of, or inability to account for any Confidential Information by Recipient and/or any unauthorized intrusions into Recipient's facilities or secure systems (collectively Security Breach), Recipient must immediately (a) notify Owner, (b) estimate the Security Breach's effect on Owner, (c) specify the corrective action to be taken, and (d) investigate and determine if a Security Breach has occurred. If, based upon Recipient's investigation, Recipient determines that there has been an actual Security Breach, Recipient must promptly notify Owner and must promptly investigate the scope of the Security Breach, and must promptly take corrective action to prevent further Security Breach. Recipient must, as soon as is reasonably practicable, make a report to Owner including details of the Security Breach (including Customer(s)' identities and the nature of the information disclosed) and the corrective action Recipient has taken to prevent further Security Breach. Recipient must, in the case of a Security Breach, cooperate fully with Owner to notify Owner's Customer(s) as to the fact of and the circumstances of the Security Breach of the Customer's particular information. Additionally, Recipient must cooperate fully with all government regulatory agencies and/or law enforcement agencies having jurisdiction and authority for investigating a Security Breach and/or any known or suspected criminal activity. Except as may be strictly required by applicable law, Recipient agrees that it will not inform any third party of any such Security Breach without Owner's prior written consent; however, if such disclosure is required by applicable law, Recipient agrees to work with Owner at no additional cost to Owner regarding the content of such disclosure.

Chapter 13 - Exhibits

13.1 Forms

The following forms are approved by ResMac for Correspondent loans and are also available on the ResMac B2B website located at <http://resmacb2b.com/forms>.

- Correspondent Closed Loan Submission Form
- Condo-PUD Underwriting Certification of Project Eligibility
- Correspondent HPML Certification Form
- HOA Certification
- Open Access Maximum Loan Amount

13.2 Worksheets

The following worksheets are approved by ResMac for Correspondent loans and are also available on the ResMac B2B website located at <http://resmacb2b.com/forms>.

- FHA Refinance Calculations Worksheet
- Income Calculation Worksheet