

Correspondent Lending Division Seller Partner Eligibility Policy

Overview

Our Platinum Correspondent Division is designed as an opportunity to partner with experienced mortgage professionals with the knowledge and ability to originate quality, compliant residential mortgage loans. Our Correspondent Partners are qualified originators that will deliver closed loans for purchase consideration as a *secondary market transaction*. All Correspondent Partners will initially qualify under and maintain our Correspondent eligibility requirements.

Our Correspondent Partners will originate loans directly through their own loan origination platform, utilize our Prior Approval process to have their loans underwritten and then close the loans in their name using their own warehouse line. Once they have funded the loan they will deliver closed, saleable loans to us for purchase consideration. The Platinum Correspondent Team will perform a full pre-purchase review of each loan to ensure it meets the same high level of compliance and underwriting standards that we require of loans underwritten and closed by us directly.

In addition to working with our seasoned Mortgage Lending Partners, we will be looking to assist smaller Lenders and mortgage professionals looking to transition from Mortgage Broker to Banker through the use of our Prior Approval delivery process. Although the Correspondent Partner will always be ultimately responsible for the underwriting and approval of the loans they close, our partners Large or Small will enjoy the support of a full underwriting review prior to closing the loan to help ensure the salability of the file.

Partner Eligibility Criteria

The decision to approve or deny a Correspondent Partner is based on our Eligibility Criteria, business judgment and the totality of each Partner's application and circumstances. The approval process involves a careful analysis of each Partner-applicant's financial condition, operational scope, operational methodology, experience level, industry reputation, delinquency statistics, and other background investigations. All applications will be submitted through the Comergence Compliance Monitoring system and then escalated for final review and consideration for approval by our Executive Management. The decision to approve or deny will be at our sole discretion.

General Criteria for all Partner Applicants:

- Complete the Correspondent Approval Application through the Comergence Compliance Monitoring system (www.comergence.com) and submit all documents as required by the Application Procedure detailed below.
- **Financial Responsibility.** Financial and Credit criteria, as defined in the specific eligibility requirements below, must be maintained throughout the term of the Correspondent Partnership and this information may be verified through quarterly covenant reviews but will be verified through annual recertification.
 - Note: Principal Officers, owners, and/or partners, and the broker of record (as applicable) must have an acceptable personal credit profile. Past credit difficulties will be reviewed on a case-by-case basis. Individual Credit Histories and Financials may be requested of entity principals as supplementary information to ensure the credit standing and financial responsibility of the Partner.
 - Any open liens, judgments, or other unsatisfied amounts owed in excess of \$10,000 will be grounds for denial.

Correspondent Eligibility Requirements

- **Quality Control:** Each Seller must maintain an effective and thorough quality control program sufficient to accurately monitor the quality of its Loan production activities. The organization and application of the quality control program should, at a minimum, satisfy the requirements established by the appropriate GSEs and HUD. We will periodically request and review the Partner's Quality Control Reports and Management Responses.
- **Highest-Level Lending Practices.** All Correspondent Partners will be expected to maintain the following best practices:
 - Maintain approval in good standing with all applicable investors, warehouse lenders, mortgage insurers, agencies, and prudential regulators.
 - Be duly organized entity in good standing under all applicable federal, state, and local laws in the jurisdictions in which the entity conducts business.
 - All requisite registration and licensing, as determined by federal and state law, through the Nationwide Mortgage Licensing System (NMLS).
 - All Policies & Procedures as required by Federal and State law including, but not limited to, Anti-Money Laundering, Anti-Steering, Appraiser Independence, Fair Lending, Privacy and Consumer Information Protection, as well as general Federal & State Compliance policies covering TILA, RESPA, ECOA, HMDA, the FCRA, and all other regulations governing the origination of residential mortgage loans under the authority of the Consumer Financial Protection Bureau (CFPB) and any other applicable prudential regulators.
 - Utilize a process that guarantees Appraiser Independence on all mortgage loans sold through Platinum Correspondent.
 - No principal or employee may be listed on any exclusionary list, including the HUD LDP or any other agency published roster of individuals or companies that are no longer eligible to participate in mortgage origination/lending.
 - The entity or its principals may not be involved in any material litigation or other enforcement action which may jeopardize the Partner's ability to originate and fund loans or perform under our Correspondent Seller's Guide. Additionally, any correspondent who has been suspended or is currently under investigation by any governmental agency or regulator will not be approved unless satisfactory explanation and evidence of a positive outcome is provided.
- **Third Party Origination.** Partners must obtain special approval in order to sell Mortgage Loans originated by non-affiliated Third Party Originators. Seller shall not deliver any Mortgage Loans originated by third parties without the express prior written consent of our Executive Management Group.

Correspondent Eligibility Requirements

Prior Approval Tier

We know that quality, consistent lenders come in all sizes and organizational structures, and that is why we have designed our Prior Approval Eligibility requirements listed below, allowing us to partner with seasoned, experienced lenders and with mortgage professionals who are just beginning to build a Correspondent Lending presence.

<p><u>Prior Approval</u></p>	<ul style="list-style-type: none">• The Prior Approval Partner status is designed for established Mortgage Bankers that wish to have their loans prior approved before closing and Mortgage Brokers that are making the transition from Broker to Banker, who are duly licensed and capable of closing and funding their own Correspondent loans. Prior Approval Partners must have existing access to warehouse facilities. The Prior Approval Partner may or may not have significant experience selling closed loans to existing correspondent lenders, but they will have a strong and long history as a successful Mortgage Broker, with a reputation for responsible origination in the industry. The Prior Approval Partner will originate and process their loans, but prior to closing the loans in their name will submit the loans through Platinum Correspondent for Prior Approval which will include an audit of their disclosures. If approved, the loans will then close and fund using the Partner’s warehouse line. After funding, they will submit the closed loans through Platinum Correspondent for the final Pre-Purchase Review, and upon receipt of approved Purchase Advice, will sell the closed loan to us. FHA & VA Production may be originated, prior approved by us and sold to under this level so long as the Partner is a DE HUD approved Lender or have their VA Approval. <p>This Prior Approval Correspondent Partner will:</p> <ul style="list-style-type: none">• Maintain a Net Worth of at least \$75,000 of which 20% must be <i>liquid assets</i> comprised of unencumbered cash and equivalents. (Or a minimum of \$25,000, whichever is lower). Unaudited financials are acceptable.• Maintain a Warehouse Line(s) of Credit of at least \$1,000,000.• Be a duly organized legal entity or properly licensed sole proprietorship.• Meet a minimum of two (2) year experience as a Mortgage Broker or Mortgage Banker, originating and brokering or selling closed loans of the type they intend to sell.• Have maintained profitability for the previous fiscal year and year-to-date.• Maintain Errors & Omissions and Fidelity Bond Insurance with a coverage amount of \$300,000. The deductible amount for each policy may not exceed \$100,000 or 5% of face value, whichever is greater.• MERS Membership. All Partners will be expected to maintain an active MERS membership to facilitate the organized transfer of title on all loan files.
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Correspondent Eligibility Requirements

Application Procedure

All prospective Correspondent Partners will be required to complete an application through the Comerence Compliance Monitoring system (www.comerence.com). Once you have created an application in Comerence, you will be able to download our Correspondent Loan Purchase Agreement Package for review, execution and upload of all required documentation.

A complete application submission will be comprised of all of the following documentation (this information is also found on the application checklist that is included in the Loan Purchase Agreement Package).

Please note: Applications will not be reviewed until all items are properly uploaded in the system and the application has been officially submitted.

****The Loan Purchase Agreement Package & Application checklist are PDF's that can be downloaded from Comerence, completed, signed and re-uploaded to their system or obtained from your Account Executive.**

- Complete Submitted Comerence Application** (the information submitted directly into the portal)
- **Fully Executed Loan Purchase Agreement Package** which included the following items:
 - Loan Purchase Agreement [please submit an executed version, a countersigned copy will be uploaded upon approval]
 - Company Resolution
 - Limited Power of Attorney
 - Wire Instructions and Authorization to Verify Warehouse Line(s)/Copy of Warehouse Line Agreement
 - Authorization for Verification of Credit and Business References
 - Correspondent Contact List
 - A Copy of this Checklist Completed with the Vendor Information Requested Below
- IRS W-9**
- MERS Approval Letter with MERS ID # _____**
- Warehouse Lending Agreements(s):** Signed by both parties.
- Company Summary** [Business Plan and/or Brief Overview of the Company's History and goals]
- Organizational Chart** [detailing parent companies or any affiliated businesses]
- Management Chart**
- Organizational Documents** [e.g. Articles of Incorporation or Organization, Operating Agreements, etc.]
- Resumes** for all Principals & Key Associates who oversee key production, operational and capital market positions.
- Company Financial Statements** - TWO (2) Years Audited or Unaudited Financials AND YTD Financials (Balance Sheet and Profit & Loss Statement)].
- Copy of Applicant's Quality Control Policies & Procedures**
- Copy of Applicant's Appraiser Independence Policy**
- Complete the **AML Policy Certification in your Comerence Profile** (under "My Profile" link on Comerence page)
- Most recent QC Reports** with Management Responses
- E&O/Fidelity Bonds** (declaration pages should be uploaded and info should be entered into Comerence portal)
- Most recent investor scorecards (if available)
- Call Report (Historical Loan Production) (see attached)

Correspondent Eligibility Requirements

Once all of these items have been uploaded in to Comergence and the full application package has been submitted through the portal (Green "Submit Application" button has been completed along with the payment information), the application will be fully vetted by the Comergence Compliance Monitoring via a comprehensive public record search on the entity and the principals of the entity. Once Comergence has completed their review, the application will then be reviewed by our Client Administration division, summarized for review and then send for approval by our Executive Management Group.

Upon Approval the Lender will be sent a formal and informative Approval Letter to provide to their warehouse lender, log-in credentials to our Web Portal and a countersigned copy of the Loan Purchase Agreement.