VERUS
MORTGAGE CAPITAL

PRIME JUMBO
(QM-VERIFICATION SAFE HARBOR)
LOAN PURCHASE ELIGIBILITY GUIDE



Published 12/23/2024

CONTENTS

Chapter 1 - Doing Business with Verus 8
1.1 General Information 8
1.2 Important Addresses, Contact Information and Hours of Operation 9
1.2.1 Holidays 9
1.3 Seller Eligibility 9
1.3.1 Approval Overview 9
1.3.1.1 Comergence® 10
1.3.1.2 Minimum Requirements 10
1.3.2 Process for Approval 11
1.3.2.1 Financials 11
1.3.2.2 General List of Documents 11
1.3.3 Seller Responsibility 12
1.3.3.1 Maintaining Eligibility 12
1.3.3.2 Notification of Significant Changes 12
1.3.3.3 Good Standing 13
1.3.3.4 Recertification 13
1.3.4 Wire Instructions 14
1.4 Representations, Warranties & Covenants 14
1.4.1 State Licensing 14
1.4.2 Quality Control 15
1.4.3 Fair Lending Policy 15
1.4.4 State and Federal High-Cost Loans 15
1.4.5 Regulatory Compliance 15
1.4.6 Ability to Repay (ATR) 16
1.4.7 Home Mortgage Disclosure Act (HMDA) 16
1.4.8 Fee Policy 16
1.4.9 Prepayment Penalty 16
1.4.10 Repurchases 17
1.4.11 Early Payment Default (EPD) 18
1.5 Commitment Pricing Overview 18
1.5.1 Lock Policy – Flow Delivery 18

1.5.1.1 Registration, Rate Lock, and Lock Confirmation 19
1.5.1.2 Pipeline Management 19
1.5.1.3 Cancellations 19
1.5.1.4 Preparing to Close Loans 20
1.5.2 Lock Desk and Pricing - Flow 20
1.5.2.1 Daily Pricing 20
1.5.2.2 Intra-Day Price Changes 20
1.5.3 Rate Lock Programs - Flow 20
1.5.3.1 General Rate Lock Information 20
1.5.3.2 Locking Loans 20
1.5.3.3 Rate Extensions 21
1.5.3.4 Rate Lock Renegotiations 21
1.5.3.5 Rate ReLocks 21
1.5.3.6 Pair-Off Fees 22
1.5.3.7 Rate Locks and Delivery 22
1.5.4 Bulk Bids Process 23
1.6 Loan Documentation 23
1.6.1 Note and Security Instrument Forms 24
1.6.2 Hybrid Closing 24
1.7 Pre-Close Review 24
1.7.1 Pre-Close Review Options 24
1.7.1.1 Non-Delegated Pre-Close Review (12/23/2024) 25
1.7.1.2 Delegated Pre-Close Review 28
1.8 Post Close File Delivery 28
1.8.1 Collateral Delivery (Bulk and Flow) 28
1.8.1.1 Bailee Letter 28
1.8.1.2 Initial Collateral Document Delivery 29
1.8.1.3 Flow - Post Close File Delivery 31
1.8.1.4 Fees 31
1.8.2 GENERAL POST CLOSE FILE DELIVERY REQUIREMENTS (ALL DELIVERIES) 32
1.8.2.1 Automated Clearing House (ACH) Payments 32
1.8.2.2 Borrower Contact Consent Form 32
1.8.2.3 Interest Credit 32
1.8.2.4 Principal Curtailment 32

1.8.2.5 Compliance Report 33
1.8.2.6 Assumability 33
1.8.2.7 Property Insurance 33
1.8.2.8 Flood Insurance 33
1.8.2.9 Title Policy Requirements 35
1.8.2.10 Solar Panels 37
1.8.3 PURCHASING AND FUNDING 38
1.8.3.1 Loan Purchase Procedures 38
1.8.3.2 Purchase Advice 38
1.8.3.3 Wire Instructions 38
1.8.3.4 Final Document Delivery 38
1.8.3.5 Post-Purchase Adjustments 40
1.8.3.6 MERS Registration and Transfer 40
1.9 Servicing 41
1.9.1 Servicing Transfer Instructions 41
1.9.1.1 Interim Servicing Responsibilities 41
1.9.1.2 Servicing Transfer Contacts 41
1.9.1.3 Servicing Transfer General Information 41
1.9.1.4 Servicing Transfer Process 42
1.9.1.5 Servicer to Servicer Transfers 42
1.9.1.6 Verus Assisted Transfers 44
1.9.1.7 Non-Sufficient Funds (NSF) Payments 45
1.9.1.8 Automated Clearing House (ACH) Payments 45
1.9.1.9 Borrower Contact Consent Form 45
1.9.1.10 Forwarding Tax and Insurance Bills 46
1.9.1.11 Supplemental Tax Bills 46
1.9.1.12 Flood Certificates 46
1.9.1.13 Tax Tracking 46
1.9.1.14 Mortgagee Change Requirements 46
1.9.1.15 Loss Draft Requirements 47
1.9.1.16 Year End Tax / IRS Reporting 47
1.9.1.17 Payoffs 47
Chapter 2 - Eligibility 49
2.1 Prime Jumbo Matrix 49

2.1.1 Eligible Products 49
2.1.2 Ineligible Product Features 49
2.1.3 Loan Amounts (12/23/2024) 50
2.1.4 Minimum Credit Score 50
2.1.5 Private Mortgage Insurance (PMI) 50
2.2 Age of Document Requirements 50
2.2.1 Third-Party Verification 50
2.3 Borrower Eligibility 51
2.3.1 Residency 51
2.3.1.1 US Citizen 51
2.3.1.2 Permanent Resident Alien 51
2.3.1.3 Non-Permanent Resident Alien 51
2.3.2 Non-Occupant Co-Borrowers 52
2.3.3 First-Time Home Buyers 52
2.3.4 Ineligible Borrowers 52
2.3.5 Title Vesting and Ownership 53
2.3.5.1 Vesting for Consumer Purpose Loans 53
2.3.5.2 Power of Attorney 54
2.3.6 Occupancy Types 54
2.3.7 Occupancy 55
2.4 Transaction Types 55
2.4.1 Eligible Transactions 55
2.4.1.1 Purchase 55
2.4.1.2 Rate/Term Refinance 55
2.4.1.3 Cash-Out 56
2.4.1.4 Delayed Financing 56
2.4.2 Listing Seasoning 57
2.4.3 Non-Arm's Length Transactions 57
2.4.3.1 Non-Arm's Length Transaction 57
2.4.3.2 Non-Arm's Length Transaction Restrictions 57
2.4.4 Interested Party Contributions (Seller Concessions) 58
2.4.5 Escrows - Impound Accounts 58
2.4.6 Secondary Financing 58
2.5 Credit 59

2.5.1 Credit Requirements 59
2.5.2 Credit Reports 59
2.5.3 Gap Credit/Undisclosed Debt 59
2.5.4 Fraud Report and OFAC Search 59
2.5.4.1 Fraud Report 59
2.5.4.2 OFAC Search 60
2.5.5 Credit Inquiries 60
2.5.6 Housing History 60
2.5.6.1 Mortgage Verification 61
2.5.6.2 Rental Verification 61
2.5.6.3 Lawsuits 61
2.5.7 Bankruptcy History 61
2.5.8 Foreclosure / Deed-In-Lieu / Short Sale / Preforeclosure / MOrtgage Charge-Off / nOTICE OF dEFAULT 62
2.5.9 Forbearance, Modification, or Deferrals 62
2.5.10 Credit Score 62
2.5.11 Tradelines 62
2.5.11.1 Standard Tradelines 62
2.5.12 Obligations Not Appearing On Credit Report 63
2.5.12.1 Housing and Mortgage-Related Obligations 63
2.5.12.2 Current Debt Obligations, Alimony, and Child Support 63
2.6 Assets 64
2.6.1 Asset Requirements 64
2.6.2 Asset Documentation 64
2.6.3 Reserves 65
2.6.4 Gift Funds 65
2.6.4.1 Eligible Donors and Documentation 65
2.7 Income 65
2.7.1 Income Analysis 65
2.7.1.1 Income Worksheet 65
2.7.1.2 Employment/Income Verification 65
2.7.2 Debt-to-Income (DTI) Ratio 66
2.7.3 Documentation Options 66
2.7.3.1 IRS Form 4506-C 66

2.7.3.2 Tax Transcripts 67
2.7.3.3 Taxpayer First Act 67
2.7.4 Standard Documentation 67
2.7.4.1 Ineligible Income Sources 67
2.8 Property Eligibility 68
2.8.1 Appraisals 68
2.8.1.1 Appraisal Requirements 68
2.8.1.2 Appraisal Review Requirements 72
2.8.1.3 Minimum Property Requirements 72
2.8.1.4 Personal Property 72
2.8.1.5 Escrow Holdbacks 73
2.8.1.6 Declining Markets 73
2.8.2 Property Types 73
2.8.2.1 Eligible Properties 73
2.8.2.2 Ineligible Properties 73
2.8.3 Acreage Limitations 74
2.8.4 State Eligibility/Geographic Restrictions 74
2.8.5 New York – CEMA 74
2.8.6 Verus Exposures – Borrower Limitations 74
2.8.7 Disaster Areas 75
2.8.7.1 Appraisal Completed Prior to Disaster 75
2.8.7.2 Appraisal Completed After Disaster Event 75
2.8.7.3 Disaster Event Occurs After Closing But Prior to Loan Purchase 75
2.8.7.4 Inspection Report Requirements 75
2.8.8 Condominiums 76
2.8.8.1 General Project Criteria 77
2.8.8.2 Ineligible Projects 77
2.8.9 Loan Exceptions 78
Chapter 3 - Forms 79
Allonge – Sample 79
Appraisal Review Guide 80
Automatic Payment Authorization (ACH) Form 82
Borrower Contact Consent Form 83
Closed Loan Delivery Checklist 84

Collateral Shipping Instructions 86
Condominium Project Questionnaire 88
Condominium Project Warranty Certification 92
New Servicer Reference Guide 93
Non-Delegated Eligibility Review Report 95
Occupancy Certification 96
Pre-Close Submission Checklist - Delegated (12/06/2024) 97
Pre-Close sUBMISSION Checklist - Non-Delegated (12/06/2024) 98
Security Release Form 99
Taxpayer Consent Form 100
Verus Contact Form 101

Collateral Underwriter®, CU®, Day 1 Certainty®, and Fannie Mae® are all registered trademarks of Fannie Mae.
Comergence® is a registered trademark for Optimal Blue.
DRIVE® Report is a registered trademark of Data Verify.
FraudGuard® is a registered trademark of First American Mortgage Solutions.
Loan Collateral Advisor® is a registered trademark of Freddie Mac.
MERS® is a registered trademark of Mortgage Electronic Registration Systems.
The Work Number® is a registered trademark of TALX Corporation, a wholly owned subsidiary of Equifax.

This information is intended for the exclusive use of mortgage professionals and is not to be Distributed to consumers. The information is for business and professional use only and is not intended as an advertisement. Rates, terms, and programs subject to change without notice. Additional conditions may apply. Verus Residential Loanco, LLC NMLS#1462920.

EQUAL HOUSING OPPORTUNITY

CHAPTER 1 - DOING BUSINESS WITH VERUS

1.1 GENERAL INFORMATION

This Prime Jumbo Guide offers a program for large balance loans, that exceed Fannie Mae® or Freddie Mac (Agency or GSE) loan limits. Loans eligible for sale to Fannie Mae® or Freddie Mac are not eligible for this Program. Loans sold to Verus must meet the criteria of the current published guide and Loan/LTV matrix as of the file application date.

All loans submitted for purchase under the Prime Jumbo program must meet the definition of a Qualified Mortgage (QM) as defined in Regulation Z 1026.43 (e). The previous definition of a (QM) based upon a DTI limit has been replaced with price-based thresholds. A loan meets the general (QM) loan definition only if the annual percentage rate (APR) exceeds the average prime offer rate (APOR) for a comparable transaction by less than 2.25 percentage points as of the date the interest rate is set. The current rule for determining safe harbor remains unchanged. A loan is considered safe harbor (QM) if its APR does not exceed APOR for a comparable transaction by 1.5 percentage points as of the date the interest rate is set. Verification Safe harbor requires the guidelines used for documentation be identified. This guide is based upon the Fannie Mae® Seller Guide dated June 3, 2020, using chapters B3-3 through B3-6 (Income, Asset, Credit, and Liability Assessment) for manually reviewed loans. The more restrictive of criteria referenced in this guide or the Fannie Mae® Guide applies. Exceptions cannot be considered that remove the Verification Safe harbor designation.

This Guide establishes the minimum credit eligibility criteria for loans delivered for purchase by Verus and the minimum requirements that must be met for approved mortgage loan originators ("Sellers") to conduct business with Verus Mortgage Capital and its affiliates ("Verus") in the purchase and sale of closed mortgage loans. The underwriting and delivery requirements in this guide, and the Mortgage Loan Purchase Agreement, as amended periodically, together govern the business relationship and constitute the entire agreement between Verus and the Seller. Verus may suspend or terminate its relationship with the Seller upon any failure to meet the requirements under this Delivery Guide. Regardless of any other agreement between the Seller and Verus, all loans delivered under the Prime Jumbo program are subject to an Early Payment Default period for the first six (6) payments due to Verus.

Verus does not originate or directly service mortgage loans and acts solely as a secondary market purchaser. Verus does not participate in any credit decision with respect to each mortgage loan it reviews for purchase. By locking a loan with, or submitting a loan to Verus for purchase, the Seller acknowledges and agrees that: (1) any pre-close or non-delegated purchase eligibility determination is not a decision or recommendation to extend or deny credit; and (2) the Seller has made, or is making, its own credit decision with respect to the loan to the borrower, regardless of whether Verus wishes to or actually does purchase, or declines to purchase the loan; and (3) neither Verus, nor any of affiliates and its affiliates' directors, officers, employees, agents, or contractors has influenced, or will influence, the Seller's credit decision with respect to the loan to the borrower by indicating whether it will purchase the loan if the Seller originates and closes the loan.

1.2 IMPORTANT ADDRESSES, CONTACT INFORMATION AND HOURS OF OPERATION

See Verus Contact Form for current phone and contact information.

1.2.1 HOLIDAYS

Verus observes the following federal holidays and the additional date referenced in the below table unless otherwise indicated. On federal holidays, banks and the US Postal service do not operate, and wire transfers are not available.

The federally recognized holidays at the time of publication of this Guide are:

New Year's Day	*Juneteenth*	*Veteran's Day**
Martin Luther King, Jr. Day	*Independence Day*	*Thanksgiving Day*
President's Day	*Labor Day*	*Christmas Day*
Memorial Day	*Columbus Day**	

In addition to the above Federal Holidays Verus will be closed on the following days:
Friday after Thanksgiving

*Verus is open on the indicated federal holidays, however, the lock window is closed.

The Lock Desk follows the holiday schedule published by the Securities Industry and Financial Markets Association (SIFMA). In addition to being closed on the above referenced federal holidays, the lock desk will close early based upon the SIFMA holiday schedule, please use this link for the annually updated schedule https://www.sifma.org/resources/general/holiday-schedule/

1.3 SELLER ELIGIBILITY

This Eligibility section outlines requirements for becoming a Verus approved Seller and for maintaining that eligibility in Good Standing. Verus has engaged Comergence® to streamline the process. All Sellers with an NMLS license must submit their applications using Comergence®.

1.3.1 APPROVAL OVERVIEW

Verus Mortgage Capital will review the applicant's information and request for approval to determine eligibility. At the discretion of Verus, eligibility standards may be waived or modified; however, the subsequent enforcement by Verus will not be affected.

To become an approved Seller to Verus Mortgage Capital, the applicant must:

- Subscribe/be set up in Comergence®.
- Receive an invitation initiated by Verus through Comergence®.

- Satisfy all Verus' eligibility requirements.
- Accurately and fully complete all required applications and provide all necessary documentation.
- Execute the applicable Mortgage Loan Purchase Agreement (MLPA), in addition to other agreements, documents, forms or requirements that may be applicable to the approval requested.

1.3.1.1 COMERGENCE®

Comergence® is an online due diligence screening firm used by Verus. The Comergence® portal makes applying to Verus easier and safer, using an electronic application to streamline the approval process. Comergence® provides a proprietary combination of background due diligence with ongoing compliance surveillance, all of which makes the entire management process easier, safer, and completely secure for all parties. NMLS registered mortgage loan originator companies can use the streamlined process to apply to Verus easily and securely. Once you are approved by Verus, the profile is kept current and available for easy recertification with Verus.

1.3.1.2 MINIMUM REQUIREMENTS

All applicants must:

- Be a duly organized, valid entity and in good standing under the laws of the jurisdiction of the organization.
- Possess and maintain all required licenses necessary to conduct business in each jurisdiction in which loans are originated.
- Be in compliance with all applicable Federal, State, and Local regulations and laws.
- Have been actively engaged in residential mortgage lending as a Correspondent Seller for a minimum of two (2) years preceding the submission of an application to become an approved Seller with Verus.
- Have at least five (5) years of substantial residential mortgage lending experience by the company owners or key company decision makers. In cases where the company has not been actively engaged in residential mortgage lending as a Correspondent Seller for at least five (5) years, the company owners or key company decision makers must have at least seven (7) years of substantial residential mortgage lending experience.
- Provide the resumes for the company President, CEO, CFO, COO, Head of Production, Chief Credit Officer or Head of Underwriting, and Head of Secondary Marketing. The experience level for each of these positions must be acceptable to Verus.
- Not have any bankruptcies, foreclosures, or unsatisfied tax liens by the principals within the last four (4) years.
- Have a minimum audited HUD-adjusted net worth of $1,500,000.
- Provide two (2) years of fiscal year-end statements prepared by an independent auditing firm.
- Have Operational Risk Results at an acceptable level.
- Maintain Errors and Omissions (E&O) insurance and a fidelity bond in a form and with an insurance carrier that: (1) is acceptable to Verus, (2) covers investor losses with a minimum coverage of $300,000 for each loss, and (3) has a deductible of no more than $100,000 or 5% of the coverage amount per occurrence. Verus must be named as the loss payee.
- Have an acceptable Quality Control plan in compliance with FNMA, FHLMC, FHA, USDA, and Verus, as applicable. This Quality Control plan and management reports must be maintained in accordance with agency guidelines and provided to Verus upon request.

- Maintain warehouse line(s) of credit or a funding source acceptable to Verus.
- Resolve or satisfactorily explain to Verus any issues arising from the Comergence® review. If the issue cannot be resolved, Verus will determine the materiality of the issue.
- Notify Verus of the compliance tool (e.g., ComplianceEase) and Fraud Tool Manager used by the company.
- Not be listed on any exclusionary lists provided by the GSEs or HUD and must not be under investigation or suspended by any government agency.
- Not to be listed on any public or non-public commercial watch list or database that reports cases of misrepresentation or failure to honor contractual obligations.

1.3.2 PROCESS FOR APPROVAL

Upon receipt of a Comergence® invitation from Verus, please complete the application process. This will include completing and/or updating the online application, completing a questionnaire, and uploading specific documents as outlined by the Comergence® System.

Sellers will have 60 days to complete the three steps in Comergence®. Upon completion of the application by the seller, Verus will be notified that the application is ready for processing. During the review process, Verus will contact the applicant and discuss any missing items, clarify any questions, and request any additional items needed for review.

The following sections outline the various documents that may be applicable to the application process and can be provided by uploading them in the Comergence® System.

1.3.2.1 FINANCIALS

Financial statements include the following:

- Last two (2) years of audited financials.
- Year-to-date (YTD) and most recent month's interim financials: Profit and Loss Statement and Balance Sheet.
- On or after March 31 each year, the Seller must provide audited financials for the previous year. If prior to March 31, unaudited financials may be submitted.

1.3.2.2 GENERAL LIST OF DOCUMENTS

- Legal entity creation documents
- Corporate Organization chart including names of persons in key roles
- Corporate Resolution evidencing signatory authority
- IRS form W-9
- IT Disaster Recovery and Business Continuity Plan
- Current Insurance policies evidencing coverage for Errors and Omissions (E&O) and Fidelity
- Investor Score cards (most recent available)
- Policies and procedures for approval, on-boarding, and monitoring of brokers/correspondents if applicable

- Resumes: Executive Management (CEO, CFO, COO, etc.) and Department Heads (e.g., Operations, Secondary, Underwriting, Production, Compliance/QC)
- Wiring Instructions for Warehouse banks providing funding for Non-Agency and Jumbo loans to include an email address and phone number for a contact that can verify the warehouse line:
- Additional supporting documentation that may be necessary based on responses on the application-questionnaire should be uploaded as part of the optional documents within Comergence®. Examples include but not limited to:
  - Operational Policies and Procedures
  - Litigation supporting documentation
  - Explanations to questionnaire responses
  - List of loans held for investment or repurchases
  - Approval Letters (Fannie Mae®, Freddie Mac, Ginnie Mae, FHA, VA, USDA) as applicable
- These documents will be reviewed and assessed for eligibility. Based on review of applicant information provided Verus may request additional documentation.
- Upon final review and decision, the applicant will be notified in writing of the decision, any follow up documentation needed and the contract (MLPA and associated addenda) for final signature.
- After approval, the Seller will be contacted by their Transaction Manager and Sales Partner to schedule a Welcome Call to review programs, processes, policies, systems demonstrations, and necessary contacts within Verus to begin the registration, locking and loan delivery process.
  - During the initial Seller set-up, Sellers will be prompted for a list of users who need access to the Verus portal and website.
  - If sellers use a pricing engine, they will also contact Verus directly for authorization to add seller for pricing information.

1.3.3 SELLER RESPONSIBILITY

1.3.3.1 Maintaining Eligibility

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

1.3.3.2 Notification of Significant Changes

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

- Any mergers, consolidations, or reorganizations.
- Any direct or indirect material change in ownership.
  - An indirect change in ownership includes any change in the ownership of the Seller's parent, any owner of the parent, or any beneficial owner of the Seller that does not own a direct interest in the Seller.
- Any change in corporate name.
- Any change from a federal charter to a state charter (or vice versa) if the Seller is a savings and loan association (S&L) or a bank.

- A materially adverse change in financial condition.
- Any change in authority evidenced by the Corporate Resolution or in banking relationships, including warehouse lines of credit/wire instructions.
- Any change in Agency approval.
- Any change in fiscal year end-date.
- Any change in management or key personnel or persons who oversee the key Seller departments.
- Use of a new or different fictitious name.
- Any changes to systems, servicer, etc.
- Any change to active and approved Users of Verus specific systems.
- Any changes to warehouse lender relationships or settlement wire instructions.

1.3.3.3 Good Standing

All approved Sellers must remain in "Good Standing" with Verus to maintain the required eligibility to sell loans. Failure to remain in Good Standing could result in Verus terminating the Agreement with cause.

To remain an approved Seller in Good Standing, the Seller must:

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

1.3.3.4 Recertification

Verus consistently monitors the performance of each Seller. In addition to performance monitoring, Verus will perform a comprehensive review of each Seller's financial, industry, credit, and overall performance on a continual basis. Sellers will receive a notification that recertification is due through Comergence® and requesting the submission of an updated application and questionnaire as well as a minimum set of documents.

Within 60 days of the request for Renewal information, the Seller must submit via Comergence® the following documentation:

- Most recent full year Audited financial statements with all appropriate schedules and attachments.
- Current year to date, unaudited financial statements no older than four (4) months.
- Updated/current organization chart.
- Resumes on any new management-position changes since the last approval.
- Copy of the renewal of Fidelity Bond and E&O Insurance.
- Re-confirm active and approved contacts to Verus specific systems.
- Any other additional certifications or information requested by Verus.

Upon completion of the submission through Comergence®, Verus will complete the recertification analysis and provide written confirmation of Seller's recertification result.

1.3.4 WIRE INSTRUCTIONS

Wiring Instructions for each of the Seller's warehouse bank(s) must be on file with Verus and independently verified prior to the purchase of any loan. As these may change during the relationship it is important to provide current/updated information for the bailee letter(s) to prevent any delays in future purchases, see Section 1.8.11 Bailee Letter for details. The following bank information is required.

- Bank Name
- Bank Address
- Bank WIRE Routing number (ABA)
- Bank Account number
  Bank Contact information (i.e., name, phone number, email)

1.4 REPRESENTATIONS, WARRANTIES & COVENANTS

In addition to the Representations, Warranties & Covenants outlined in the MLPA, Verus will publish updates to any required changes through the Seller Guide in this section.

Verus does not originate or directly service mortgage loans and acts solely as a secondary market purchaser. Verus does not participate in any credit decision with respect to each mortgage loan it reviews for purchase. By locking a loan with, or submitting a loan to Verus for purchase, the Seller acknowledges and agrees that: (1) any pre-close or non-delegated purchase eligibility determination is not a decision or recommendation to extend or deny credit; and (2) the Seller has made, or is making, its own credit decision with respect to the loan to the borrower, regardless of whether Verus wishes to or actually does purchase, or declines to purchase the loan; and (3) neither Verus, nor any of affiliates and its affiliates' directors, officers, employees, agents, or contractors has influenced, or will influence, the Seller's credit decision with respect to the loan to the borrower by indicating whether it will purchase the loan if the Seller originates and closes the loan.

Sellers are always responsible for confirming the accuracy of the information in the system, even when transferring files directly from an outside source. Any discrepancies uncovered in the due diligence process or post-purchase will affect pricing up to and including the repurchase of the sold loan by the Seller, plus any expenses incurred. Please take the time to verify that all information is correct and that all required documentation has been provided. Verus will not be responsible for any errors made by the Seller.

1.4.1 STATE LICENSING

The Seller must comply with all applicable state license and registration requirements in connection with mortgage loan origination and any other related business activities, which include without limitation:

- Ensuring that each loan officer/originator/broker involved in the origination of loans delivered to Verus is appropriately licensed.
- Maintaining appropriate organizational licensure based on type and location of the activities it engages in.

1.4.2 QUALITY CONTROL

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

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

1.4.3 FAIR LENDING POLICY

Verus strictly complies with all applicable federal, state, and local requirements related to fair lending, including the Equal Credit Opportunity Act and the Fair Housing Act (together, the "Fair Lending Requirements"). Accordingly, in connection with its decision to purchase loans, Verus will not discriminate on any prohibited basis. Verus will also not knowingly purchase loans from Sellers engaged in practices that violate Fair Lending Requirements. To the extent a Seller is found to be engaging in practices that may violate Fair Lending Requirements, Verus may terminate its contractual relationship with such Seller or take any other action that it deems appropriate.

1.4.4 STATE AND FEDERAL HIGH-COST LOANS

Verus does not purchase loans that are subject to the Home Ownership and Equity Protection Act of 1994 (HOEPA), also known as "federal high cost" mortgages.

Further, with the exception of loans that comply with N.Y. Banking Law § 6-M (New York Subprime), Verus does not purchase mortgage loans that meet the definition of "high cost," "high risk," "covered," "subprime," or any similar designation under state or local law.

New York Subprime Definition:

- Subprime home loan means a home loan in which the initial interest rate or the fully-indexed rate, whichever is higher, exceeds by more than one and three-quarters percentage points for a first-lien loan, or by more than three and three-quarters percentage points for a subordinate-lien loan, the average commitment rate for loans in the northeast region with a comparable duration to the duration of such home loan, as published by the Federal Home Loan Mortgage Corporation (herein "Freddie Mac") in its weekly Primary Mortgage Market Survey (PMMS) posted in the week prior to the week in which the lender provides the Loan Estimate.

1.4.5 REGULATORY COMPLIANCE

Sellers and any of their sub-servicers will be in compliance with all federal, state, and local laws including without limitation, all statutes, regulations, ordinances, administrative rules, and orders that have the effect of law, and judicial rulings and opinions, that apply to any of their origination, selling, or servicing practices or other business

practices and related technology. The Seller must comply with any applicable law that addresses fair housing, fair lending, equal credit opportunity, truth in lending, wrongful discrimination, appraisals, real estate settlement procedures, borrower privacy, data security, escrow account administration, mortgage insurance cancellation, debt collection, credit reporting, electronic signatures or transactions, predatory lending, anti-money laundering, terrorist activity, ability to repay, state community and marital property, or the enforcement of any of the terms of the mortgage. Each Seller will establish appropriate facilities and processes for monitoring applicable legal developments and implementing appropriate measures to stay in compliance with applicable law and will be able to demonstrate satisfactory performance of its legal compliance upon Verus' request. The Seller may be required to repurchase a mortgage loan that is in breach of the requirements of this section at any time.

1.4.6 ABILITY TO REPAY (ATR)

All loans subject to the general ATR underwriting standards (12 C.F.R 1026.43(c)) require a creditor to make a reasonable, good-faith determination that the consumer has a reasonable ability to repay the loan prior to or at consummation. A reasonable, good-faith ATR evaluation must consider the following eight underwriting factors based on available information in the mortgage loan file using reliable third-party records:

- Income or assets used to repay the loan.
- Employment status.
- Monthly mortgage payment on the subject loan (fully indexed, fully amortizing).
- Monthly payments for any simultaneous loans secured by the subject property.
- Monthly payments for property taxes, hazard insurance, HOA fees, or ground rents.
- Debts (reported by a credit bureau or disclosed by the consumer), alimony, and child support obligations.
- Monthly DTI or residual income.
- Credit history.

1.4.7 HOME MORTGAGE DISCLOSURE ACT (HMDA)

The Seller is required to comply with the Home Mortgage Disclosure Act (HMDA), including without limitation all data collection, recordkeeping, and reporting requirements in connection with the Seller's credit decision on each loan file delivered to Verus.

1.4.8 FEE POLICY

Fees charged by the Seller must be in compliance with all applicable requirements, including those governing permissible fees, maximum fee amounts, timing, and disclosures.

1.4.9 PREPAYMENT PENALTY

Prepayment penalties are not eligible.

1.4.10 REPURCHASES

The repurchase price for loans subject to a Repurchase Obligation pursuant to the Mortgage Loan Purchase Agreement (MLPA) shall be as follows, unless otherwise determined by Verus:

- The original purchase price of the loan, less principal reduction since the original purchase of the loan by Verus, ***plus***
- All interest accrued but unpaid on the principal balance of the loan from the paid-to-date of the loan through and including the last day of the month in which the repurchase is made, ***plus***
- All expenses, including but not limited to: reasonable fees and expenses of counsel incurred by Verus in enforcing the Seller's obligation to repurchase the loan and/or resulting from any breaches of the Seller's representations and warranties under this Agreement, ***plus***
- The original servicing release premium paid by Verus for the loan, ***plus***
- Any unreimbursed advances of taxes, insurance, or property preservation made by Verus with regard to the loan as of the date of repurchase, ***less***
- Any proceeds of mortgage insurance collected by Verus in connection with the loan.

Upon any such repurchase of loans by the Seller, Verus shall endorse the promissory note (without recourse) and shall assign any security interest (without recourse and in recordable form) to the Seller. If the mortgaged property securing the loan has been acquired by Verus by agreement with the owner of record or by foreclosure to mitigate its loss, then the repurchase price pursuant to the Agreement, notwithstanding the amount of Verus' credit bid, shall be:

- The original purchase price of the loan, less principal reduction since the original purchase of the loan by Verus, ***plus***
- All interest accrued but unpaid on the principal balance of the loan from the paid-to-date of the loan through and including the last day of the month in which the foreclosure sale occurs, ***plus***
- All costs and expenses, including but not limited to: fees, costs, and expenses incurred by Verus as owner of the property, reasonable fees and expenses of counsel incurred by Verus in connection with the foreclosure or acquisition and in enforcing the Seller's Repurchase Obligations, and/or resulting from any breaches of the Seller's representations and warranties under this Agreement, ***plus***
- The original servicing release premium paid by Verus with regard to the Loan, ***plus***
- Any unreimbursed advances of taxes, insurance, or property preservation made by Verus with regard to the loan as of the date of repurchase, ***plus***
- Interest on the amounts set forth in paragraphs (1) through (5) above at the loan rate from the end of the month in which the foreclosure sale occurred until and including the date of repurchase by the Seller, ***less***
- Any proceeds of mortgage insurance collected by Verus in connection with the loan.

If the mortgaged property securing the loan has been sold at foreclosure and purchased by a third party, the amount that the Seller shall pay Verus to fulfill its Repurchase Obligation pursuant to the Agreement is as follows:

- The original purchase price of the loan, less principal reduction since the original purchase of the loan by Verus, ***plus***

- All interest accrued but unpaid on the principal balance of the loan from the paid-to-date of the loan through and including the last day of the month in which the foreclosure sale occurs, ***plus***
- All costs and expenses, including but not limited to: reasonable fees and expenses of counsel, incurred by Verus in enforcing the Seller's Repurchase Obligations and/or resulting from any breaches of the Seller's representations and warranties under this Agreement, ***plus***
- The original servicing release premium paid by Verus for the loan, ***plus***
- Any unreimbursed advances of taxes or insurance made by Verus with regard to the loan as of the date of repurchase, ***plus***
- Interest on the amounts set forth in paragraphs (1) through (5) above at the loan rate from the end of the month in which the foreclosure sale occurred until and including the date of repurchase by the Seller, ***less***
- The net proceeds of the foreclosure sale (sale price minus costs and expenses, including but not limited to reasonable fees and expenses of counsel, incurred by Verus in connection with the foreclosure sale), ***less***
- Any proceeds of mortgage insurance collected by Verus in connection with the loan.

Repurchased loans should be service transferred to the Seller or their sub-servicer within 30-45 days. The Verus servicing team will contact you to make arrangements for the servicing transfer. Loans should be transferred within 30 but no longer than 45 days after the repurchase date. If a longer transfer period is needed the monthly servicing fee may be assessed to the Repurchaser.

1.4.11 EARLY PAYMENT DEFAULT (EPD)

Early Payment Default (EPD) loans that become delinquent after the loan sale date to Verus are subject to repurchase by the Seller pursuant to the EPD language in the loan Seller's Mortgage Loan Purchase Agreement.

1.5 COMMITMENT PRICING OVERVIEW

The Verus Mortgage Capital Lock Policy outlines the terms by which Sellers can commit loans for purchase to Verus. When Sellers lock a loan with Verus, the interest rate, pricing, and terms are protected through the lock expiration. Sellers are required to deliver a complete closed loan package before the expiration of the rate lock. This includes the three-day right of rescission required on refinance transactions. Any loan that closes or disburses after the expiration date may be subject to a relock at worst-case pricing.

1.5.1 LOCK POLICY – FLOW DELIVERY

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

The Lock Desk hours of operation are:	8:30 am to 5:30 pm (CT)
The Lock Window hours are:	9:00 am to 7:00 pm (CT)
The e-mail address for the Lock Desk is:	LockDesk@verusmc.com

The phone number for the Lock Desk is:	(833) 862-3863 Press 1 for Correspondent, then 2 for Lock Desk

Lock Window Closures: In addition to published Verus holidays, the Verus lock window will be closed on any day in which SIFMA (Securities Industry and Financial Markets) recommends that the bond market be closed. Verus also reserves the right to close the lock window in alignment with any recommended early closing. See https://www.sifma.org/resources/general/holiday-schedule/#US for further information.

Funding Holidays: In addition to the published Verus holidays, fundings will not be available on any day on which the Federal Reserve has declared a bank holiday. See https://www.frbservices.org/about/holiday-schedules for further information.

1.5.1.1 Registration, Rate Lock, and Lock Confirmation

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

A loan may be locked at any point in the loan process. However, we strongly advise that the Seller's loan is locked with Verus after the seller has issued underwriting approval.

See Section 1.5.3.2 - Locking Loans for details regarding locking loans with Verus.

Note: Confirmation of a rate lock does not constitute a decision to purchase by Verus. All loans must meet Verus lending criteria and the product matrix eligibility guidelines.

1.5.1.2 Pipeline Management

- Registered Loans:
  - Loans which have been registered for 90 days or more and have not been submitted for pre-close or post-close review will be withdrawn/cancelled.
  - Loans submitted for a pre-close or Non-Delegated review older than 120 days may be withdrawn/cancelled.
- Locked Loans:
  - Locked loans which are about to expire are identified in the "expiring soon" section of LMS Connect.
  - Loans submitted for a pre-close or Non-Delegated review older than 120 days may be withdrawn/cancelled.
  - Locked loans become mandatory delivery and must be closed, delivered, and rescission completed by lock expiration date.
  - As an aid for managing pipeline activity, dashboard information can be exported to excel for each view within LMS Connect. See Seller Portal User Guide at https://verusmc.com/resources/.

1.5.1.3 Cancellations

Sellers must notify the Verus Lock Desk as soon as possible when a locked loan is canceled along with the reason for cancellation. Failure to maintain an acceptable pull through may impact Seller eligibility.

1.5.1.4 Preparing to Close Loans

All loans must be registered (pre-close/non-del review only) or locked (all post-close submission) before Verus reviews the file. All loans must have a valid unexpired lock when the closed loan file is delivered for purchase.

1.5.2 LOCK DESK AND PRICING - FLOW

1.5.2.1 Daily Pricing

Rate sheets are distributed daily, generally by 9:00 am Central Time, Monday through Friday. Verus reserves the right to change rates at any time. Rates will be published in the Portal, provided to the various pricing engines, and distributed via email. Each rate sheet will provide the effective date and time.

1.5.2.2 Intra-Day Price Changes

Verus reserves the right to change pricing without notice at any time, which may also include after-market close re-prices. Verus Secondary Marketing makes its best effort to notify Sellers of new pricing when there is an intra-day price change; however, Sellers will receive the pricing that is effective when loans are locked on the portal. Sellers are responsible for verifying the lock confirmation form as soon as it is received and must contact the Lock Desk immediately if there is a discrepancy. Intra-day price changes will be emailed and published in the system.

1.5.3 RATE LOCK PROGRAMS - FLOW

Verus offers the Sellers competitive pricing. Specific information regarding rate locks, extensions, and renegotiations is provided as follows:

1.5.3.1 General Rate Lock Information

General information regarding the available duration of rate locks, cost and length of extensions, adjusters, and all matters related to pricing are found on the daily rate sheet. At the time of writing, Verus offers 30, 45, and 60-day initial locks and 5, 10, 15, 20, and 30-day extensions. Sellers should rely on the most recent rate sheet for all pricing and rate extension information (or the rate sheet at the time of lock for extensions and worst-case pricing). Information on the rate sheet will take precedence over the information in this Guide.

1.5.3.2 Locking Loans

- Verus maintains a Seller Portal https://verus-lmsconnect.streetsolutions.com/ for locking and delivery of loans for purchase. Rate lock confirmations and "Purchase Advice" details are also accessed through this portal. See Seller Portal User Guide at https://verusmc.com/resources/.
- Loans are registered in the Portal by entering data through the user interface or by importing a FNMA 3.2 file to the system. Data required for pricing and locking varies by program and users are prompted to enter the required information. Loans requiring lock extensions beyond the maximum extension period, or loans requiring cumulative lock periods in excess of 75 days are subject to worse-case pricing, which is defined as the lower of (i) current rate sheet pricing or (ii) the existing lock price. If the existing lock is to be extended, applicable lock extension fees will be applied after the determination of worse-case pricing.

If the new rate sheet is the worst price, no lock extension fee needs to be applied for the relock, which will be a 15-day lock, subject to extension fees thereafter.

- Property address changes are only permitted on registrations. Property address changes on locked loans must be made by the Verus Lock Desk.
- Loans Moving Out of Locked Program:
    - Loans locked under all other Verus Programs, subsequently determined to be ineligible for the locked Program, but eligible for other Verus Programs, will be priced based on the initial rate lock date.

1.5.3.3 Rate Extensions

- Extension fees are posted on the Verus Seller rate sheet.
- Lock extensions are available for active locks. Expired locks may not be extended; they can only be relocked.
- Locks may be extended for 5, 10, 15, 20, or 30 days.
- Two (2) lock extensions may be requested; however, the cumulative lock extension maximum may not exceed 45 days from the initial expiration date. The cumulative lock period including extensions may not exceed 75 days. Loans requiring lock extensions beyond the maximum extension period, or loans requiring cumulative lock periods in excess of 75 days are subject to worse-case pricing, which is defined as the lower of (i) current rate sheet pricing or (ii) the existing lock price. If the existing lock is to be extended, applicable lock extension fees will be applied after the determination of worst-case pricing. If the new rate sheet is the worst price, no lock extension fee needs to be applied for the relock, which will be a 15-day lock, subject to extension fees thereafter.
- Lock extensions are not available for delivered files.

1.5.3.4 Rate Lock Renegotiations

Only active, unexpired locks are eligible for renegotiations:

- Rate renegotiations are awarded on a case-by-case basis only.
- Renegotiations must be demonstrated to be for the benefit of the borrower only, either by: (1) increasing credit, or (2) reducing the rate.
- Only one (1) lock renegotiation per loan is allowed. Expiration terms are not amended.
- Once a lock has been renegotiated, the delivery becomes mandatory without price improvement.
- The loan must be moving to "Clear to Close" or greater status within 24 hours and must close within 15 days.
- Secondary Marketing approval is required for renegotiation on relocked loans.

1.5.3.5 Rate ReLocks

- Any lock that has expired may be relocked for 15 days as follows:
    - The loan is re-priced using worse case pricing described below and charged a 25-basis point relock fee.
    - Any fees, including extension costs, will remain in effect.

- Worse case pricing is determined by comparing the rate sheet from the lock date to the rate sheet from the relock date (current rates):
  - For rate-based programs, worse case pricing is determined by using the rate sheet with the higher base rate.
  - For price-based programs, worse case pricing is determined be using the rate sheet with the lower price.
- The loan will be relocked for 15 days. If additional days are needed, contact the Verus Lock Desk to request an extension. Standard fees will apply.
- Executing a relock is an irreversible transaction and results in mandatory delivery subject to a pair off fee.
- Any lock that has expired or has been cancelled by the Seller is eligible for current market pricing after 45 days.

1.5.3.6 Pair-Off Fees

Any loan locked greater than 90 days that has funded but not delivered to Verus may be subject to a pair-off fee.

If a pair-off fee must be assessed, the fee will be calculated as the greater of:

- The market difference, or
  - An admin fee of 0.25% multiplied by the locked loan amount.

If applicable, any third-party diligence costs incurred by Verus must be reimbursed by the seller.

1.5.3.7 Rate Locks and Delivery

- All files must be closed, delivered, and rescission completed by the lock expiration date.
- Locks with weekend or holiday expiration dates expire on the first business day following the stated expiration date; this becomes the effective expiration date.
- If the file is not delivered by the lock expiration date, the loan will be subject to a pricing change.
- The original Note must be received within three (3) business days after the lock expiration date.
- Verus reserves the right to return a closed loan file and its associated collateral at any time for poor quality and/or inconsistency with program guidelines.
- Verus reserves the right to price expired loans outside of the matrix above based on market conditions.
- Verus reserves the right to assess a pair-off fee if a closed loan is not purchased by Verus.
- Verus only purchases non-seasoned loans. Verus will not accept a Best Efforts lock on any loan where the lock date is >30 days from the note date. Any loans seasoned more than 30 days must be presented to the capital markets desk and may be subject to worse pricing than Best Efforts.
- Verus publishes a maximum price and a minimum price on the daily rate sheets. Loans that price below the minimum are subject to additional price adjustments at Verus' discretion. Contact the lock desk for additional information.
- Sellers will be responsible for clearing all credit, compliance, collateral, or any other due diligence conditions by the earlier of (a) 20 calendar days after the lock expiration date, or (b) 30 calendar days after the date of the initial review results are released via the Verus Seller Portal (the "Cure Period Expiration Date").

- Any loan with open due diligence condition(s) as of the Cure Period Expiration Date will be subject to a 2.5 bp per calendar day reduction in price assessed from the Cure Period Expiration Date up to and including the final cure date. To the extent conditions are not cleared by close of business on the 15th calendar day following the Cure Period Expiration Date, the purchaser may, at its option, reprice the loan to current market or cancel the commitment.

1.5.4 BULK BIDS PROCESS

- Requests for bids on bulk loan packages can be submitted to Verus directly via e-mail at Capmarkets@invictuscp.com. Your account executive can assist with this process.
- Our capital markets team can provide the desired bid tape format if needed.
- Once evaluated, bulk bid pricing will be provided directly by our capital markets team or through your account executive. Call (833) 862-3863 Press 1 for Correspondent, then 2 for Lock Desk.
- When a bid is accepted, the bulk transaction manager will reach out with an e-mail message containing next steps (including but not limited to collateral and file delivery timelines, etc.).
- Seller origination guides are to be reviewed and approved by investor prior to issuance of the trade confirmation.
- Verus conducted credit diligence will begin once the seller uploads imaged credit and closing documents to the Verus system.
    - If the Seller initiates the review with the third-party diligence provider (i.e., Reliance Letter):
        - A copy of the statement of work between the seller and third-party diligence provider must be provided upon investor's request.
        - Mortgage loan schedule and the final credit package, including all documents used to clear initial diligence findings/conditions reported during initial review prior to the purchase of the loan.
- Collateral diligence review will be completed upon delivery to custodian. Please reference Section 1.8.1 - Collateral Delivery for collateral delivery and shipping instruction form. See Collateral Shipping Instructions Form.
- If the Seller initiates the review with the third-party diligence provider (i.e., Reliance Letter), the third-party diligence provider must include the final credit package upon completion of diligence.
- Generally, all loans in a bulk transaction should be purchased as one settlement. Occasionally it may be necessary to trail fund loans, but VMC limits trail funding to one (1) per bulk transaction.
- When loans have cleared collateral and Credit, they can be approved and submitted for purchase.
- At this point, we will reach out for all information necessary to accommodate the purchase including the current pay history.
- Funds are wired according to the bailee letter direction for each individual loan in the pool.
- We will provide the wire confirmation information once funds have been disbursed.

1.6 LOAN DOCUMENTATION

1.6.1 NOTE AND SECURITY INSTRUMENT FORMS

For consumer loan transactions, the current version of the Uniform Residential Loan Application (URLA) should be used.

Available Fannie Mae® security instruments, notes, riders/addenda, and special purpose documents can be used for owner-occupied or investment property loan documentation. The Fannie Mae® forms are available at https://singlefamily.fanniemae.com/selling-and-servicing-guide-forms-and-communications.

In instances when Fannie Mae® doesn't offer current documentation, a document vendor such as Doc Magic or Ellie Mae (ICE) should be used to obtain forms. The note should reflect a late charge assessment if payment is not received by the 15th day of each month. The late charge should equal the maximum allowed under state law not to exceed 5%.

1.6.2 HYBRID CLOSING

VMC will purchase loans using a Hybrid closing method. The definition of Hybrid Closing is as follows:

- E-signed documents may be delivered for all documents in the file with the following exceptions:
  - Original wet signed note and associated endorsement/allonge.
- The copy of the mortgage/deed of trust can be digitally signed provided that the jurisdiction allows for the digital closing and recording. The digital portion of the closing includes the use of a remote notary service.
- The system used for the remote online notarization must meet the following minimum standards:
  - At least two-factor identity authentication, using a combination of at least two of the following factors:
    - Remote presentation of a government-issued photo ID that has a signature.
    - Credential analysis.
    - Identity-proofing (i.e., knowledge-based authentication).

If the hybrid closing is used, the collateral submission at the time of post-close submission must include the proof of digital signatures.

VMC cannot purchase loans closed with an Enote and Evault, also known as a full E-Closing.

1.7 PRE-CLOSE REVIEW

1.7.1 PRE-CLOSE REVIEW OPTIONS

Verus provides sellers with two pre-close review options, Non-Delegated and Delegated. Refer to Section 1.8.1.4 - Fees of this guide for applicable fees. By locking a loan with or submitting a loan file to Verus for review, the Seller acknowledges and agrees that: (1) any pre-close review made by Verus is not a decision or recommendation to extend or deny credit, and (2) the Seller is the party solely responsible for making any decision to extend credit.

Verus Mortgage Capital reserves the right to charge any applicable fees associated with any loan that is credit reviewed before closing and not delivered to Verus for purchase. Examples of fees that may be charged are Pre-Close Review (Non-Delegated), Pre-Close Review (Delegated), Pair Off Fees, or others identified in the seller guide or daily rate sheets.

1.7.1.1 Non-Delegated Pre-Close Review (12/23/2024)

1.7.1.1.1 PURCHASE ELIGIBILITY

The Purchase Eligibility Review is subject to the Mortgage Loan Purchase Agreement, as amended from time to time, between Verus and Seller (as those parties are defined therein). The eligibility review represents the results of a credit review based exclusively on the materials submitted by the Seller to determine if the loan meets the applicable eligibility guidelines. Such credit review excludes a determination of whether the loan complies with applicable origination and compliance requirements. Verus reserves the right to modify or withdraw the eligibility review if any of the information contained in the materials provided by the Seller is or becomes inaccurate or incomplete, including any changes in the borrower's credit, employment or any other factor used to determine the borrower's ability to repay the loan.

The eligibility determination provided is not a decision or recommendation to extend or deny credit. The Seller is solely responsible for making any decision to extend or deny credit. The Seller acknowledges that it will comply with all applicable regulatory requirements, including the Home Mortgage Disclosure Act (HMDA) and the Equal Credit Opportunity Act (ECOA), in connection with its credit decision.

Any eligibility review will be subject to the following conditions precedent to Verus' purchase of the loan: 1) the loan is closed in conformance with the eligibility review, including without limitation satisfying all credit conditions cited; 2) to the extent any material purchase eligibility conditions are cited by a TPR in post-close diligence that are unrelated to Verus review of the credit file, the Seller has or will clear or remediate each condition to the satisfaction of Verus in its sole discretion; and 3) The Seller is responsible for ensuring there is no fraud, and Verus has not determined, in its reasonable discretion, that any aspect of the credit file appears fraudulent.

1.7.1.1.2 LOAN SUBMISSIONS

Non-Delegated loan submissions are to be processed by the Seller and must include documentation found on the Pre-Close Submission Checklist – Non-Delegated form. Verus will review the file submission for eligibility according to the program and doc type. Any deficiencies will be identified and communicated to the seller to resolve. Files that do not meet the minimum documentation requirements will be placed in suspense status and the Seller will be issued a list of missing documents. Any loan placed in a suspense status may be subject to extended review timelines. Multiple loans to a single borrower will be reviewed as a single submission and will have extended review timelines.

- Verus will not review or determine if the loan complies with federal, state, or local laws, constitutional provisions, regulations, or ordinances. The Seller is responsible for delivering a compliant loan for post-close purchase review.
- Verus will provide an initial Non-Delegated Eligibility Review Form with a review status and applicable credit eligibility conditions. Sellers are required to satisfy all open prior-to-close (PTC) eligibility conditions. Failure to satisfy open PTC conditions may impact loan purchase eligibility.
- Verus will provide a final Non-Delegated Eligibility Review Form with a review status once all PTC eligibility conditions are satisfied or waived.

- At Time of Close (ATC) conditions listed on the final Eligibility Review Report must be addressed by the Seller. Any required documentation must be submitted with the post-close purchase review file.

The Seller is responsible for ensuring the following are complete and accurate for a loan application and a registered or locked loan.

- Program and Doc Type
- Credit Score
- Property Address
- Appraised Value
- DTI
- Loan Purpose
- Occupancy
- Property Type
- LTV/CLTV
- Income
- Loan Amount
- Product
- Sales Price
- Borrower
- Assets/Reserves

1.7.1.1.3 ELIGIBILITY REVIEW

Verus will assess the documentation provided by the Seller meets the criteria as defined by the Prime Jumbo Guide and applicable matrix, as follows:

Application

- The application (FNMA Form 1003) is substantially completed including mailing address if subject property is investment and phone numbers
- All known borrower-owned properties are disclosed on the Real Estate Owned Section of the form
- Borrower's employment history
- Application to reflect borrower assets and liabilities
- Application to include loan terms, occupancy, purpose, and reason for any cash out if applicable
- Borrower Eligibility: Borrowers must be eligible for the program

Credit

- Tri-merge credit report must be provided for each borrower
  - Borrower personal data must be consistent with the application and loan type
  - Valid decision score and minimum tradelines to be determined
  - Housing and mortgage related payment history to be confirmed
  - Bankruptcy, Foreclosure, Short-sale &/or Deed-In-Lieu dates, if provided on the credit report
  - Forbearance, Modification, or Deferral dated, if provided on the credit report
- Sufficient documentation to establish seasoning for derogatory accounts not reported on the credit report. (e.g., judgments, collections, forbearance, modification, deferral)
- Liabilities to be included in the Debt-to-Income ratio to fulfill Ability to Repay (ATR) guidance, see Section 1.4.6 Ability to Repay (ATR).
- Third-party fraud report is required for all loans, see Section 2.5.4.1 – Fraud Report.

Employment and Income

- Employment history to meet program requirements
- Income used to qualify the loan was calculated in accordance with guidelines for the applicable program
- Maximum DTI does not exceed program guidelines

- Residual income meets minimum requirements of applicable program
- Documentation verifying employment and income will be deemed acceptable if it is a third-party document as required by applicable program guidelines, see Pre-Close Eligibility Checklist – Non-Delegated.

Assets and Reserves

- Documentation to verify assets for down payment and closing costs, see Pre-Close Eligibility Checklist – Non-Delegated
- Minimum reserve requirements to meet program guidelines

Insurance and Taxes

- Hazard Insurance to evidence the minimum dwelling coverage requirement is met, see Section 1.8.2.7.1 – Hazard Insurance Requirements.
- Flood Insurance to evidence the minimum dwelling coverage requirement is met, see Section 1.8.2.9 – Flood Insurance.
- Property Tax calculation for the real estate tax payment applies as follows:
    - DTI loans: See Section 2.7.2 Debt-To-Income (DTI) Ratio.

Preliminary Title Report

- Transaction vesting must be eligible
- Current vesting to be verified
    - If the transaction is a purchase, the property seller must be the owner of record
    - If the transaction is a refinance, the borrower must be the owner of record
- Schedule B exceptions:
    - Assessments, covenants, conditions, and restrictions must be acceptable
    - HOA lien issues to be identified, addressed, and resolved
    - Other exceptions that impede the lien priority must be addressed
- For refinance transactions, the following are required:
    - Prior mortgage liens, judgment liens including but not limited to state and federal tax liens, and environmental liens are to be documented, addressed, and resolved
    - Foreclosures and bankruptcies reported on Schedule B to be documented, addressed, and resolved
    - Delinquent real estate taxes that are not liens must be paid

Appraisal

Primary valuation and secondary valuation products are to be provided.

- See Section 2.8.1 – Appraisals.
- FEMA Declared Disasters with Individual Assistance designation, a Post Disaster Inspection (PDI) is required, see program specific disaster requirements as needed.

See Appraisal Review Guide when evaluating the appraisal product, as applicable.

1.7.1.2 Delegated Pre-Close Review

Delegated sellers may request a pre-close eligibility review to be conducted by a Third-Party Review Firm (TPR). The Seller is responsible for uploading a fully processed, documented, and credit decisioned loan package to LMS Connect for the pre-close eligibility review. The TPR eligibility review results will be posted in LMS Connect for the Seller to review. The Seller must address all eligibility review conditions in the post-close file submission.

See the Pre-Close Eligibility Checklist - Delegated for a list of documents needed for the pre-close eligibility review.

1.8 POST CLOSE FILE DELIVERY

1.8.1 COLLATERAL DELIVERY (BULK AND FLOW)

CUSTODIAN: COMPUTERSHARE - ALL LOANS	
Custodian Name & Physical Address:	**Notification of Transfer:**
Computershare Trust Company, N.A. Attn: CMBS-INVC 1055 10th Ave SE Minneapolis, MN 55414	Please notify the Transaction Manager and the Collateral Acquisition Team with the anticipated date of the transfers, the number of loan files to be shipped, and the tracking information.

Shipping instructions: The following are also located on the Collateral Shipping Instructions form:

- Documents must be placed in a legal-size file folder.
- Labels must be affixed to the upper right-hand corner of the legal-size pocket file folder, reflecting the Loan # from the data tape that was issued to the Custodian, as well as the Previous Loan # (if any) and the Borrower name(s).
- Loan files must be placed in sequential, numerical loan number order inside the archive boxes.
- A packing list, consisting of a list of the loans and the box number, must be included in each box.
- Each box must be marked on the outside to identify its contents as follows:
  INVC-Initial / Seller / Funding Date / Box 1 of __, Ln # 100000 - 100200.

1.8.1.1 Bailee Letter

When delivering original promissory notes, the Seller must provide either a Bailee Letter or Security Release Form.

1.8.1.1.1 BAILEE LETTER REQUIREMENTS

- Must accompany the original promissory note delivered to the custodian. See 1.8.1.2 - Initial Collateral Document Delivery.
- A bailment arrangement is only established if a bailee letter is delivered with the original promissory note.
- Allow 2 business days, following receipt, for custodian processing to make bailee letter available to Verus for wire account setup of the loan's purchase proceeds.

- Does not require execution by Verus and/or custodian; original note delivery under a bailee is sufficient notification of the bailee arrangement.
- Must sufficiently describe the subject loan(s) so Verus can identify the correct mortgage loan(s).
- Should contain the following information:
  - Seller's name.
  - Either the Seller or Verus loan number.
  - Borrower name.
  - Note amount.
  - Wire instructions.

1.8.1.1.2 SECURITY RELEASE FORM REQUIREMENTS

- Seller (generally Financial Institutions) fund loans without a warehouse line arrangement.
- Security Release Form must be executed by an authorized signer of the Seller.
- Must be included in each applicable imaged file uploaded by seller to LMS Connect using document type Credit Package.
- Must sufficiently describe the subject loan so Verus can identify the correct mortgage loan(s).
- Must be delivered to Verus within 24 hours after delivery of the closed loan file.
- Should contain the following information:
  - Seller's name.
  - Either the Seller or Verus loan number.
  - Borrower's name.
  - Note amount.
  - Wiring or payment instructions.

1.8.1.2 INITIAL COLLATERAL DOCUMENT DELIVERY

A Closed Loan delivery package, containing the credit and closed loan document images, is required to be submitted to Verus, prior to shipping the original Note, Allonge, and supporting collateral file documents to the custodian. Collateral delivery to the custodian is due the next business day following an imaged closed loan file submission to Verus, but no later than 3 days following the lock expiration. Sellers who use a warehouse line for funding must arrange for prompt delivery of the original Note and Bailee Letter to the Custodian.

Custodian Stacking & Packaging Instructions for Collateral Shipping Instructions:

- Place collateral documents in a legal-size file folder - one (1) for each loan. Ensure the following information is reflected on the upper right-hand corner of each file folder:
  - Verus Loan ID.
  - Seller Loan ID.
  - Borrower name(s).
- Place loan files in sequential loan number order inside shipping package/box.
- Include a packing list/manifest, consisting of a list of the loans; if multiple boxes, specify the box number for each loan.
- Mark the exterior of each box to identify its contents as follows:
  - **INVC-Initial**/Seller Name/ Box 1 of __, Ln # 100000– 100200.
- Stack documents in the following order:
  - Bailee Letter (or Security Release Form if applicable) - **DO NOT STAPLE OR CLIP TO NOTE.**
  - Original Note with an original signature, fully executed.

- Original allonge, endorsing the Note from Your Company Name to Blank (See Allonge – Sample).
  - Original intervening endorsements, if appl, for an unbroken chain of title from originator to seller.
- If not a MERS MOM loan:
  - Original Unrecorded Assignment from Seller to Blank in fully executed and recordable form.
- Original Executed Power of Attorney, or a copy of the original sent for recordation (if applicable) for new originations, or if seasoned, the recorded version.

1.8.1.2.1 CEMA DOCUMENTATION

Current Transaction

- Original Consolidated Note, with original allonge/endorsement from seller to blank.
- Consolidation Extension and Modification Agreement (CEMA) with all exhibits:
  - Exhibit A - List of all previous and current security instruments and assignments, stamped "Exhibit A".
  - Exhibit B - Legal description (matches title and security instrument, as well as previous transaction), stamped "Exhibit B".
  - Exhibit C - Copy of Consolidated Note, stamped "Exhibit C".
  - Exhibit D - Copy of Consolidated Mortgage, stamped "Exhibit D".
  - If newly originated; copy unrecorded.
  - If Seasoned =/+ 120 days: recorded original or recorded copy
    - If not MERS MOM, Original Unrecorded Assignment from Seller to Blank in fully executed and recordable form.
- Assignment from previous transaction to new transaction:
- If newly originated; copy unrecorded.
- If Seasoned =/+ 120 days: recorded original or recorded copy.
- Original Gap Note, if applicable, with original allonge/endorsement from seller to blank.
- Gap Mortgage, if applicable:
  - If newly originated; copy unrecorded.
  - If Seasoned =/+ 120 days: recorded original or recorded copy.

1.8.1.2.2 REQUIREMENTS FOR NEWLY ORIGINATED LOANS (<120 DAYS FROM NOTE DATE)

A copy of the unrecorded mortgage and title commitment are required for loan sale/purchase settlement eligibility. Deliver the preliminary documents to Verus, as follows:

- Upload images via LMS Connect (delivery portal) using document type 'Credit Package Document.'
- Delivery of the recorded/final versions to the custodian is required within 180 days of the note date.
- See section 1.8.3.4 - Final Document Delivery instructions for details.

1.8.1.2.3 REQUIREMENTS FOR SEASONED LOANS (=>120 DAYS FROM NOTE DATE)

The recorded mortgage, final title policy, and original or recorded copy of the loan modification, if applicable are required for loan sale/purchase settlement eligibility. Deliver the final documents to Verus as follows:

- Upload images via LMS Connect (delivery portal) using document type 'Credit Package Document'.
- Ship documents to custodian, Computershare Trust Company, N.A., either with initial collateral delivery or as purchase clearing conditions.
- If loan modification is out for recording, a copy of the unrecorded document should be provided; recorded document becomes a trailing (final) document.

1.8.1.2.4 COLLATERAL EXCEPTIONS

Sellers are required to deliver a complete and accurate Collateral package. Collateral exceptions (if any) must be resolved prior to funding, but no later than the third day following the expiration of the rate lock. See Section 1.5.3.7 - Rate Locks and Delivery for the full details.

1.8.1.3 FLOW - POST CLOSE FILE DELIVERY

1.8.1.3.1 SUBMISSION OF IMAGED PACKAGE

To ensure that we have all the necessary documentation needed to review your file effectively and efficiently, we have compiled a stacking order and checklist that should be used to confirm that your loan packages contain all the required documentation. Although the checklist is a representation of typically required documentation, the list is not exhaustive. It is the Seller's responsibility to provide all applicable documentation needed to confirm compliance with guidelines and all regulatory requirements (both state and federal) and to render a sound credit decision. Specific steps to submit imaged documents to LMS can be found on the Verus web site www.verusmc.com under Training Videos.

The submission checklist, with preferred stacking order, should be included with the submitted file, and can be found in the Closed Loan Delivery Checklist at the end of this Delivery Guide.

Once a closed loan file has been received and reviewed by a due diligence partner, the Seller will receive notification that either the file is acceptable, or a list of missing documents/conditions to be addressed will be provided.

1.8.1.3.2 CONDITION CLEARING REQUIREMENTS

If a loan is deemed to be eligible, the Post-Close Review Summary may or may not include conditions. If conditions are present, the Seller is required to resolve the condition(s). See section 1.5.3.7 – Rate Locks and Delivery for required time periods to clear conditions. The Seller will receive an updated Review Summary once all conditions have been cleared.

1.8.1.4 FEES

Fees will be deducted at the time of loan funding and will be reflected on the Purchase Advice. Unpaid fees associated with loans not purchased may be netted from future funding.

FEES	
Pre-Close Review (Delegated)	$375
Pre-Close Review (Non-Delegated)	$600
Pre-Close Review Loan Balance > $2.0M (Non-Delegated)	$700
Funding Fee	$625
Funding Fee Loan Balance > $2.0M	$700
Flood Cert/Life of Loan Fee	$17.50
Overdue MERS Transfer Fee	$75

TAX SERVICE FEE	
Loan Balance	**Fee**
< 999,999	$99
1,000,000 – 1,099,999	$109
1,100,000 – 1,199,999	$119
1,200,000 – 1,299,999	$129
1,300,000 – 1,399,999	$139
1,400,000 – 1,499,999	$149

Non-MERS Transfer Fee	$75
Overdue Final Document Fee (Not delivered within 90 days of purchase)	$75

$10 for every $100,000 increase in loan balance

COLLECTION OF FEES ON UNDELIVERED LOANS

Verus Mortgage Capital reserves the right to charge any applicable fees associated with any loan that is credit reviewed before closing, closed, and then not delivered to Verus for purchase. Examples of fees that may be charged are Underwriting Fees, Review Fees, Pair Off Fees or others identified in the Seller Guide or daily rate sheets.

1.8.2 GENERAL POST CLOSE FILE DELIVERY REQUIREMENTS (ALL DELIVERIES)

1.8.2.1 Automated Clearing House (ACH) Payments

Sellers are strongly encouraged to use the Verus Automatic Payment Authorization (ACH) Form at closing to establish automated payments for the borrower, see Automatic Payment Authorization (ACH) Form. Borrowers may select a draft date within the grace period stated on the Note.

- Payment and bank account data along with the imaged ACH enrollment form must be provided to the New Servicer as part of the servicing transfer.
- Borrowers may need to make a manual payment if the first payment(s) are due to the Seller.
- Borrowers may also contact the New Servicer directly to establish automated payments after the transfer.
- A copy of the ACH enrollment form must be included in the closed loan submission package to Verus.

1.8.2.2 Borrower Contact Consent Form

Sellers are required to provide accurate borrower contact information to Verus. For many borrowers, their preferred method of contact is by email, mobile phone, and text. These forms of communication require special authorization from the borrower.

Sellers are encouraged to incorporate the Verus Borrower Contact Consent Form in the borrower's closing package and include the form in the closed loan submission package to Verus.

Click here to see the Borrower Contact Consent Form.

1.8.2.3 Interest Credit

Loans closed/disbursed within the first five (5) days of the month may reflect an interest credit to the borrower.

1.8.2.4 Principal Curtailment

The maximum amount of the curtailment cannot exceed the lesser of $2,500 or 2% of the original loan amount.

1.8.2.5 Compliance Report

Closed consumer purpose loans must include a compliance report (e.g., ComplianceEase, Mavent) that documents compliance with state and federal high-cost / points and fees tests.

1.8.2.6 Assumability

Fixed Rate loans are not assumable. ARM loans with assumability language are acceptable if the assumption is at the lender's discretion. In any case, the wording in the Note and Closing Disclosure must match.

1.8.2.7 Property Insurance

A Property (Hazard) insurance policy is required for all loans.

1.8.2.7.1 HAZARD INSURANCE REQUIREMENTS

Property insurance for loans must protect against loss or damage from fire and other hazards covered by the standard extended coverage endorsement. The coverage must provide for claims to be settled on a replacement cost basis. Property insurance policies that provide for claims to be settled on an actual cash value basis are not acceptable. Policies that limit, depreciate, reduce, or otherwise settle losses at anything other than replacement cost basis are also unacceptable.

Extended coverage must include, at a minimum: wind, civil commotion (including riots), smoke, hail, and damage caused by aircraft, vehicle, or explosion.

Policies that limit or exclude from coverage (in whole or in part) windstorm, hurricane, hail damage, or any other perils that normally are included under an extended coverage endorsement are not acceptable. Borrowers may not obtain property insurance policies that include such limitations or exclusions unless they are able to obtain a separate policy or endorsement from another commercial insurer that provides adequate coverage for the limited or excluded peril, or from an insurance pool that the state has established to cover the limitations or exclusions.

The hazard insurance coverage should be equal to the lesser of:

- Replacement Cost Estimator
  - Provided from the property insurer, **or**
  - Provided from a 3rd party source (i.e., CoreLogic)
- Estimated cost to replace the dwelling from a recent appraisal, if provided
- The unpaid principal balance of the mortgage(s)

The maximum deductible is 5%.

For condominiums, see Section 2.8.8.1 – General Project Criteria.

1.8.2.8 Flood Insurance

The seller must ensure that the property securing the mortgage loan is adequately protected by flood insurance when required. Flood insurance coverage is required when a mortgage loan is secured by a property located in:

- A Special Flood Hazard Area (SFHA), or
- A Coastal Barrier Resources System (CBRS) or Otherwise Protected Area (OPA). See below for additional information.

The seller/servicer must determine whether or not the property is located in an SFHA by using the Standard Flood Hazard Determination form endorsed by FEMA. All flood zones beginning with the letter "A" or "V" are considered SFHAs.

The following table describes how to evaluate a property to determine if flood insurance is required. For the purpose of these requirements, the "principal structure" is the primary residential structure on the property securing the mortgage loan.

IF…	THEN FLOOD INSURANCE IS…
any part of the principal structure is located in an SFHA,	required.
the principal structure is not located in an SFHA, but a residential detached structure attached to the land that serves as part of the security for the mortgage loan is located within the SFHA	required for the residential detached structure.
the principal structure is not located in an SFHA, but a non-residential detached structure attached to the land that serves as part of the security for the mortgage loan is located within the SFHA	not required on either structure.
the principal structure is not located in an SFHA, but a detached structure attached to the land that does not serve as part of the security for the mortgage loan is located within the SFHA	not required on either structure.

Deductible may not exceed the maximum deductible amount currently offered by NFIP.

The minimum amount of flood insurance required for first-lien mortgages is the lowest of:

- 100% of the replacement cost of the insurable value of the improvements,
- The maximum insurance available through the NFIP, or
- The unpaid principal balance (UPB) of the loan (or loan amount at the time of origination).

Minimum coverage must be equal to the dwelling coverage for hazard insurance, subject to the following:

- If dwelling coverage for hazard insurance is greater than $250,000 then flood coverage must be $250,000 as this is the maximum allowed per FEMA.

1.8.2.8.1 ACCEPTABLE FLOOD INSURANCE POLICIES

The flood insurance policy must be one of the following:

- A standard policy issued under the NFIP; or

- A policy issued by a private insurer as long as the terms and amount of coverage are at least equal to that provided under an NFIP policy based on a review of the full policy issued by a private insurer.

1.8.2.8.2 FLOOD INSURANCE ESCROW REQUIREMENTS

- Escrow accounts for flood insurance premiums are required for all loans secured by residential improved real estate.

1.8.2.9 TITLE POLICY REQUIREMENTS

The title insurer and final title policy must conform to Fannie Mae® requirements as published in the most recent Fannie Mae Selling Guide. Access to the Fannie Mae Selling Guide is available at Title Insurance | Fannie Mae.

Each loan purchased by Verus Mortgage Capital must include a preliminary title report or a final policy if available at the time of purchase. If the file contains a preliminary title report, it must indicate a final policy will be issued upon payment of the premium.

By delivering a preliminary title report to Verus, the Seller represents and warrants that the loan will be covered by the required final policy as of the Note date.

1.8.2.9.1 TERMS OF COVERAGE

The title insurance policy must ensure the title is acceptable and that the mortgage represents a first lien on a fee simple estate in the property. The title policy must also list all other liens and reflect they are subordinate. The title insurance policy must be updated with Its Successors and/or Assigns ISAOA language. When the borrower is an Entity, the title insurance policy must provide protection regarding whether the signatories had the authority to validly execute the mortgage document. The policy should be written on one of the following forms:

- The 2021 American Land Title Association (ALTA) standard form.
- An ALTA short form if it provides coverage equivalent to the 2021 ALTA standard form.
- In states in which standard ALTA forms of coverage are, by law or regulation, not used, the state-promulgated standard or short form which provides the same coverage as the equivalent ALTA form.

1.8.2.9.2 EFFECTIVE DATE OF COVERAGE

The effective date of the title insurance coverage written on forms that do not provide the gap coverage included in the 2021 ALTA policies may be no earlier than the later of the date of the final disbursement of loan proceeds or the date the mortgage was recorded.

Because the 2021 ALTA forms provide protection for the time between loan closing and recordation of the mortgage, policies written on those forms may be effective as of loan closing.

1.8.2.9.3 AMOUNT OF COVERAGE

The amount of title insurance coverage must at least equal the original principal amount of the mortgage.

1.8.2.9.4 MORTGAGE ELECTRONIC REGISTRATION SYSTEM (MERS)

If a mortgage is registered with MERS and is originated naming MERS as the original mortgagee of record, solely as nominee for the Lender named in the security instrument and the note, and the Lender's successors and assigns,

then the "insured mortgage" covered by the title insurance policy must be identified in the title insurance policy as the security instrument given to MERS, solely as nominee for the Lender and Lender's successors and assigns. However, under no circumstances may MERS be named as the insured of a title policy.

1.8.2.9.5 TITLE ENDORSEMENTS

The following title endorsements are required:

- Adjustable-Rate Mortgage endorsement: ALTA Endorsement 6-06
- Environmental protection lien endorsement: ALTA Endorsement 8.1-06 or equivalent state form providing the required coverage

References are to the ALTA 2021 form of endorsement, but state forms may be used in states in which standard ALTA forms of coverage are, by law or regulation, not used, provided that those endorsements do not materially impair the protection to Verus. As an alternative to endorsements, the requisite protections may be incorporated into the policy.

1.8.2.9.6 CHAIN OF TITLE

All files must contain a 24-month title history. Transfer date, price, and buyer and Seller names should be provided for any transfers that occurred within the past 24-months.

1.8.2.9.7 CONDOMINIUM OR PLANNED UNIT DEVELOPMENTS (PUD)

The title insurance policy for a condominium or PUD unit mortgage must describe all components of the unit estate.

For condominium unit mortgages, an ALTA 4-06 or 4.1-06 endorsement or its equivalent is required. For PUD unit mortgages, an ALTA 5-06 or 5.1-06 endorsement or its equivalent is required. These endorsements must be attached to each policy or incorporated into the text of the policy.

If the unit owners own the common areas of the project as tenants in common, the policy for each unit's mortgage must reflect that ownership.

If the homeowners' association (HOA) owns the common elements, areas, or facilities of the project separately, the title insurance on those areas must insure that ownership.

This title policy must show that title to the common elements, areas, or facilities is free and clear of any objectionable liens and encumbrances, including any statutory or mechanic's liens for labor or materials related to improvements on the common areas that began before the title policy was issued.

The title policy must protect Verus by insuring:

- That the mortgage is superior to any lien for unpaid common expense assessments. (In jurisdictions that give these assessments a limited priority over a first mortgage lien, the policy must provide assurance that those assessments have been paid through the effective date of the policy.)
- Against any impairment or loss of title of the first lien caused by any past, present, or future violations of any covenants, conditions, or restrictions of the master deed for the project. (It must specifically insure against any loss that results from a violation that existed as of the date of the policy.)

- That the unit does not encroach on another unit or on any of the common elements, areas, or facilities. (The policy also must insure that there is no encroachment on the unit by another unit or by any of the common elements, areas, or facilities.)
- That the mortgage loan is secured by a unit in a condominium project that has been created in compliance with the applicable enabling statutes.
- That real estate taxes are assessable and lienable only against the individual condominium unit and its undivided interest in the common elements, rather than against the project as a whole.
- That the owner of a PUD unit is a member of the homeowners' association, and that the membership is transferable if the unit is sold.

1.8.2.9.8 INTER VIVOS REVOCABLE TRUST

A Seller delivering a loan that has an Inter Vivos Revocable Trust as mortgagor is responsible for all of the following:

- Determining that both the trust and the mortgage satisfy eligibility criteria and documentation requirements.
- Determining under the laws of the states in which it does business that it can originate mortgages to validly created inter vivos revocable trusts.
- Completing a review of the mortgage documentation, applicable state law, and the trust documents to ensure that title insurers provide full title coverage without exceptions for the trust or the trustees for inter vivos revocable trusts in that state.

1.8.2.9.9 TITLE EXCEPTIONS

Verus will not purchase or securitize a mortgage secured by property that has an unacceptable title impediment, particularly unpaid real estate taxes and survey exceptions.

If surveys are not commonly required in particular jurisdictions, the Seller must provide an ALTA 9 Endorsement. If it is not customary in a particular area to supply either the survey or an endorsement, the title policy must not have a survey exception.

1.8.2.9.10 MINOR IMPEDIMENTS TO TITLE

Title for a property that secures a conventional mortgage is acceptable even though it may be subject to the following conditions, which Verus considers minor impediments:

- Customary public utility subsurface easements that were in place and completely covered when the mortgage was originated, as long as they do not extend under any buildings or other improvements.
- Above-surface public utility easements that extend along one or more of the property lines for distribution purposes or along the rear property line for drainage purposes, as long as they do not extend more than 12 feet from the property lines and do not interfere with any of the buildings or improvements or with the use of the property itself.

1.8.2.10 SOLAR PANELS

Any fixture that includes a UCC filing associated with the property and/or will create an easement on title is ineligible

1.8.3 PURCHASING AND FUNDING

1.8.3.1 Loan Purchase Procedures

Verus requires a review of the closed loan file prior to purchase. The review consists of three (3) parts: Credit, Collateral and Payment History. The credit review and approval are completed by a third-party provider. The collateral package is reviewed by our document custodian. The payment history is reviewed for accuracy and confirmation that the loan is current. Loan funding occurs after the following:

- The credit file has been reviewed and all conditions have been cleared.
- All collateral documents have been reviewed and all conditions have been cleared.
- A review of the payment history unpaid principal balance, next payment due date and escrow impounds has been performed by Verus.

Upon completion of these three (3) steps, a Purchase Advice will be generated and delivered to the Seller.

1.8.3.2 Purchase Advice

Verus will purchase a scheduled principal balance. The first payment date due to Verus and the Servicing Transfer Date will be specified on the Purchase Advice.

Interest to be credited or debited at the time of loan purchase is based upon a 30/360 calendar.

Verus will provide a notification when a Loan Purchase Advice is ready for review and approval.

The Seller must review the Purchase Advice in its entirety within LMS Connect. If there are any questions about the Purchase Advice, reply to the Verus notification or contact the Verus Lock Desk.

The Seller must approve the Purchase Advice in LMS Connect. Upon approval Verus will fund the loan. The daily cutoff for wiring funds is 10:00am central time, approvals must be in LMS Connect prior to 10:00am to receive funds that day. Any loans which are not approved by the 10:00am central time cut off will be updated to reflect a settlement date of the next business day and must be approved by 10:00am central time on the following business day.

Once the funds are received, the Seller should reconcile the wire amount to ensure that the appropriate funds were received. If a discrepancy is identified, the Seller must notify the Lock Desk within five (5) days of the loan purchase. The Seller must provide documentation supporting the discrepancy.

1.8.3.3 Wire Instructions

Wiring Instructions for each of the Seller's warehouse bank must be on file with Verus prior to funding.

1.8.3.4 Final Document Delivery

Sellers are responsible for the submission of recorded documents, in final form and free of exceptions, to the Custodian after the loan has been purchased.

CUSTODIAN: COMPUTERSHARE - ALL LOANS

Custodian Name & Physical Address:
Computershare Trust Company, N.A.
ATTN: CMBS-INVC
1055 10th Ave SE
Minneapolis, MN 55414

Verus requires the submission of final documents within 180 days of the note date but no later than 180 days after the purchase date by Verus.

Monthly final-document status reports will be delivered to Sellers via LMS Connect to aid in final document management and document error resolution. It is the Seller's responsibility to reconcile the final-document status reports to its delivery records for any discrepancies. When communicating discrepancies for Verus research, email finaldocs@verusmc.com and include the Verus loan ID, Seller loan ID, shipping date, shipping address, and courier tracking number.

1.8.3.4.1 FINAL DOCUMENTATION

The following documents must be submitted as final documents on all loans:

- Recorded Security Instrument and all applicable riders.
- Title Policy, with all endorsements
  - Fees for title policy endorsements are the responsibility of the Seller.
  - Owner and Encumbrance Report for Closed End Second Lien as applicable.
- Other documents as may be applicable, some examples:
  - Recorded Power of Attorney.
  - Recorded UCC.

Verus reserves the right to assess fees for documents not delivered to the Custodian, or document errors not resolved, as set forth in the Mortgage Loan Purchase Agreement (MLPA). Any documents not provided, or errors not resolved within this timeframe will be addressed by Verus through other means at a cost to the Seller of $75 per document. Verus reserves the right to demand a repurchase of the loan according to the terms of the MLPA.

Preparing Final Documents for Delivery:

- Include a cover sheet with the Seller and Verus Loan IDs for each final document or use a manifest to identify each document and its corresponding Seller and Verus Loan IDs. When using a manifest, the documents must be stacked in the same order as indicated on the manifest.
- Individual documents with multiple pages may be stapled or clipped together.
  - Do **NOT** staple/clip multiple *documents* together.
- Mark the exterior of the package(s)/box(es) to identify its contents as follows:

CBMS-INVC-Final Docs / Seller Name / Box 1 of __, Ln # 100000 - 100200.

Custodian Delivery Address:
Computershare Trust Company, N.A.
Attn: CMBS-INVC
1055 10th Ave SE
Minneapolis, MN 55414

1.8.3.5 Post-Purchase Adjustments

It is the Seller's responsibility to review the Purchase Advice as soon as possible to ensure that the net funding is correct. Following the sale of a loan to Verus, if there is a discrepancy between the loan data in the system and the Seller's loan records, a post-purchase adjustment may be required.

To initiate a post-purchase adjustment for a whole loan:

STEP	ACTION
1	Research the discrepancy and request a post-purchase adjustment via email to the Verus lock desk. Requests exceeding **90** days will not be considered for post-purchase pricing adjustments.
2	Assemble documentation to support the post-purchase adjustment. Documentation should include:
	• Detailed explanation of the discrepancy and the corrective action requested.
	• Copy of the funding notification ('Purchase Advice').
	• Additional documentation supporting your request, as applicable (i.e., HUD-1, etc.).
3	Securely submit the request form and supporting documentation to LockDesk@verusmc.com. Verus will research the request and provide a response within one (1) business week of receipt.

1.8.3.5.1 WHEN A POST-PURCHASE ADJUSTMENT OCCURS

- When a Seller submits a post-purchase data change to a price-impacted field and the resulting price is lower than the purchase price, the difference in price is billed to the Seller.
- When a Seller submits a post-purchase data change to a price-impacted field and the resulting price is higher than the purchase price, the difference in price is remitted to the Seller.

1.8.3.6 MERS Registration and Transfer

The MERS MIN must be properly registered on the MERS® System. The Seller must be listed as the current Servicer and Investor at least 24 hours prior to a Verus purchase and provide a copy of the mortgage loan registration screen in the closing/legal package.

The Seller is responsible for initiating the MERS® Transfer of Rights to Verus, within seven (7) calendar days of the purchase date (i.e., purchase settlement), as follows:

- Investor: **1013178**
- Servicer: **1013178**

Sellers may contact Verus' MERS desk for additional assistance at MERS@verusmc.com.

Note: Verus reserves the right to charge an administrative fee of $75.00 for any loan not transferred accurately within seven (7) calendar days.

1.9 SERVICING

1.9.1 SERVICING TRANSFER INSTRUCTIONS

1.9.1.1 Interim Servicing Responsibilities

Loans sold to Verus ("Purchaser") require that the Seller sub-service the loans for the interim period between the Verus purchase date and the servicing transfer date. In accordance with the Mortgage Loan Purchase Agreement (MLPA), the Seller shall service and administer the mortgage loans on behalf of the Purchaser from the purchase date until the designated Servicing Transfer Date, as specified by Verus.

The interim servicing obligations of the Seller shall include but not limited to payment collection and escrow disbursements, providing servicing-related activities which include 1098 reporting for payments collected, and calculation of payoff statements during the interim servicing period.

1.9.1.2 Servicing Transfer Contacts

The Verus Servicing Team will assist Sellers throughout the servicing transfer process.

VERUS MORTGAGE CAPITAL - SERVICING TEAM CONTACT INFORMATION	
Karen Brechlin Servicing Manager	651-352-4414 Kbrechlin@verusmc.com
Melynda Aliffi Servicing Transaction Manager	612-225-0370 Maliffi@verusmc.com
Susan Sessom Servicing Team Lead	(651) 352-4407 Ssessom@verusmc.com
Goal Chang Servicing Transaction Manager	(612) 225-0452 Gchang@verusmc.com
Ashley Day Servicing Transaction Manager	(612) 416-0882 Aday@verusmc.com
Servicing Support Contacts	651-352-4400 ServicingTransfers@verusmc.com

1.9.1.3 Servicing Transfer General Information

Servicing transfers occur on the 1st and 15th of each month. A bulk pool may have a negotiated transfer date which will be mutually agreed upon at the time of purchase.

Loans will transfer to Shellpoint Mortgage Servicing or Cornerstone Servicing.

- The New Servicer name and new loan number are listed on the Verus Purchase Advice.
- The servicing transfer date is listed on the Verus Purchase Advice.

The transfer process will comply with all RESPA laws and Consumer Financial Protection Bureau (CFPB) best practices.

1.9.1.4 Servicing Transfer Process

The servicing transfer process will follow one of these two methods:

- Servicer to Servicer transfer
- Verus Assisted transfer

The best transfer method will be mutually agreed upon at the time of purchase.

Undue delays in servicing transfer caused by the seller or seller's agent may subject the loans to repricing to current market conditions or an extension fee.

1.9.1.5 Servicer to Servicer Transfers

Servicer to Servicer transfers are the Verus preferred method.

If at the time of purchase the loans are currently serviced by a sub-servicer ("Current Servicer"), that servicer is responsible for providing loan boarding data, all origination and servicing document images, and payment history to the Verus sub-servicer ("New Servicer"). Specific transfer instructions will be provided by the New Servicer.

The Seller must ensure that the transfer agreement with their sub-servicer stipulates delivery of both preliminary and final data files.

If the loans are currently serviced by the Seller, and the Seller's servicing system can provide the required servicing data and images to the new servicer, then the Servicer-to-Servicer transfer process will apply.

Verus will coordinate the transfer process with the Seller, the Current Servicer, and the New Servicer.

TRANSFER TIMELINE	TRANSFER DELIVERABLE
Prior to Sale of First Loan to Verus	• Verus Servicing Team and Seller have an initial servicing call
Loan Purchase Date	• Verus purchases loan from Seller • The Purchase Advice is generated. The Purchase Advice identifies the New Servicer Name, New Loan Number and Servicing Transfer Date • The Current Servicer continues their interim servicing responsibilities

7 Days After the Purchase Date	• The Current Servicer initiates the MERS transfer
20 Days Prior to Transfer Date	• The Current Servicer submits a sample Goodbye Letter to Verus and the New Servicer • The Current Servicer provides preliminary servicing transfer data and images to the New Servicer
15 Days Prior to Transfer Date	<u>Servicer to Servicer transfers:</u> • The Current Servicer mails the approved Goodbye Letter <u>Verus Assisted transfers:</u> • The New Servicer mails the combined Goodbye/Welcome Letter
Servicing Transfer Date	• The Current Servicer provides final servicing transfer data and images to the New Servicer • The Current Servicer sends escrow funds to the New Servicer • The New Servicer begins their servicing responsibilities • Loans will be activated on the New Servicer's system within 3-5 business days after the transfer date and receipt of final data
Within 15 Days After Transfer Date	• The New Servicer mails their Welcome Letter package

1.9.1.5.1 SERVICER TO SERVICER TRANSFERS – ESCROW RESPONSIBILITIES

The Current Servicer escrow responsibilities include:

- Escrow funds must be forwarded to the New Servicer no later than 3 business days after the servicing transfer date.
- Payment of any taxes or insurance due prior to the Verus purchase date and for the 30 days following the transfer date. The Current Servicer must take advantage of any early payment discounts.

The Current Servicer will be responsible for the payment of any penalty and/or interest assessed due to non-payment.

Penalties or interest incurred by the New Servicer due to Current Servicer's failure to pay tax or insurance disbursements as described above, may be billed back to the Seller.

1.9.1.5.2 SERVICER TO SERVICER TRANSFERS – PAYMENTS RECEIVED AFTER THE TRANSFER DATE

The Current Servicer is responsible for collecting any payments that are due to them during the interim servicing period. The Current Servicer must stop collection efforts after the servicing transfer date.

If the Current Servicer receives a payment after the transfer date, it must be forwarded to the New Servicer within 48 hours. Payments can be forwarded by wire or by check.

1.9.1.5.3 SERVICER TO SERVICER TRANSFERS – FORCE PLACE INSURANCE

If Force Placed Insurance is in effect at the time of servicing transfer, the Current Servicer will include in their transfer data a report of the Force Placed Insurance including the amount and date of the last disbursement.

The Current Servicer will cancel the policy on the transfer date.

1.9.1.6 VERUS ASSISTED TRANSFERS

If the loans are currently serviced by the Seller, and the Seller's operating system cannot accommodate a servicing transfer, Verus can assist with the transfer requirements.

Contact the Verus Servicing Team for the special arrangements with this process. **This does not relieve the Seller of the interim servicing obligations**.

1.9.1.6.1 VERUS ASSISTED TRANSFERS – ESCROW

Escrow funds will be netted at the time of purchase based on the scheduled purchase UPB and scheduled due date. The netted amount will be shown on the Purchase Advice.

The Seller is responsible for paying all taxes and insurance due prior to the Verus purchase date and for the 30 days following the Verus purchase date. The Seller must take advantage of any early payment discounts.

At the time of purchase if escrow disbursements are due within 30 days of settlement, Verus may omit netting the funds and require the Seller to pay the upcoming tax or insurance disbursement.

If a tax bill or hazard renewal is not available at closing, but is due within 60 days of Loan Closing, the Seller should ensure that an adequate escrow deposit is collected at closing.

The Seller will be responsible for the payment of any penalty and/or interest assessed due to non-payment or due to failure to forward tax or insurance bills to the New Servicer timely.

Penalties or interest incurred by the New Servicer due to the Seller's failure to pay escrow disbursements as described above, may be billed back to the Seller.

For information on where to send trailing tax or insurance documents, click here to see the New Servicer Reference Guide.

1.9.1.6.2 VERUS ASSISTED TRANSFERS – PAYMENTS DUE TO THE SELLER

The Seller is responsible for collecting any payments that are due to them during the interim servicing period. Sellers must stop collection efforts on the servicing transfer date.

Sellers must self-report to Verus if payments due to them in the interim servicing period are uncollected (delinquent) at the time of Servicing Transfer. Sellers must self-report to the Verus Servicing Team at ServicingTransfers@verusmc.com no later than five (5) days after the servicing transfer date. The Verus Servicing Team will correct the scheduled balance and next due date with the New Servicer.

Sellers who receive a payment due to them after the 5-day self-reporting cutoff must forward the payment to the New Servicer within 48 hours. Payments can be forwarded by wire or by check.

Verus will then process a funding adjustment to reimburse the seller per the new scheduled balance. Reimbursement requests for payments or escrow funds received greater than 60 days after the service transfer date may be denied.

For information on where to send the funds, click here to see the New Servicer Reference Guide.

1.9.1.6.3 VERUS ASSISTED TRANSFERS - PAYMENTS DUE TO VERUS

All payments and/or curtailments collected by the Seller after the transfer date that are due to Verus must be forwarded to the New Servicer within 48 hours of receipt. Payments can be forwarded by wire or by check.

For information on where to send the funds, click here to see the New Servicer Reference Guide.

1.9.1.7 NON-SUFFICIENT FUNDS (NSF) PAYMENTS

If a payment due to the Seller is reported as Non-Sufficient Funds (NSF) or returned by the bank after the service transfer, the Seller or Current Servicer must provide supporting documentation and request payment reimbursement from the New Servicer and include the Verus Servicing team at ServicingTransfers@verusmc.com.

For information on where to send the request, click here to see the New Servicer Reference Guide.

Requests for NSF reimbursement must be submitted within 60 days of the service transfer date. Aged NSF reimbursement requests greater than 60 days after the servicing transfer date may be denied.

1.9.1.8 AUTOMATED CLEARING HOUSE (ACH) PAYMENTS

Sellers are strongly encouraged to use the Verus Automatic Payment Authorization (ACH) Form at closing to establish automated payments for the borrower. Borrowers may select a draft date within the grace period stated on the Note.

Payment and bank account data along with the imaged ACH enrollment form must be provided to the New Servicer as part of the servicing transfer.

Borrowers may need to make a manual payment if the first payment(s) are due to the Seller.

The initial draft after the servicing transfer may be delayed a few days while the New Servicer activates the loans. All subsequent drafts will occur on the borrower's selected draft date.

Borrowers may also contact the New Servicer directly to establish automated payments after the transfer.

A copy of the ACH enrollment form must be included in the closed loan submission package to Verus. Click here to see the Automatic Payment Authorization (ACH) Form.

1.9.1.9 BORROWER CONTACT CONSENT FORM

Sellers are required to provide accurate borrower contact information to Verus. For many borrowers, their preferred method of contact is by email, mobile phone, and text. These forms of communication require special authorization from the borrower.

Sellers are encouraged to incorporate the Verus Borrower Contact Consent Form in the borrower's closing package and include the form in the closed loan submission package to Verus.

Click here to see the Borrower Contact Consent Form.

1.9.1.10 Forwarding Tax and Insurance Bills

After the Servicing Transfer Date, the Seller should forward all tax bills, insurance premium renewal notices, and insurance policy documents that they received to the New Servicer within one (1) business day.

For information on where to send trailing tax or insurance documents, click here to see the New Servicer Reference Guide.

1.9.1.11 Supplemental Tax Bills

Supplemental tax bills are the borrower's responsibility to pay. As most supplemental tax bills are mailed only to the borrower and are not escrowed, the New Servicer is not required to track or to pay the supplemental tax bills from the borrower's escrow account.

Requests to pay supplemental tax bills from the borrower's escrow account may be denied.

1.9.1.12 Flood Certificates

Verus requires Life of Loan Flood Certificates for all first and second liens. The Verus preferred flood certificate provider is CoreLogic Flood Services. A copy of the flood certificate must be included in the closed loan submission package to Verus. Any loan requiring Flood Insurance must include: an insurance policy that is in compliance with HFIAA and an escrow/impound account for the insurance premium.

1.9.1.13 Tax Tracking

Verus requires fully transferrable and life of loan tax service on each first lien. The Seller should obtain this at closing. The Verus required tax vendor is CoreLogic. The Seller must provide the tax certificate number to Verus at the time of purchase.

Loans that do not have a life of loan transferable tax certificate number established will be charged the applicable CoreLogic new certificate set-up fee at the time of Verus purchase. For details, see Section 1.8.1.4 – Fees of this Guide. The fee will be netted by Verus at the time of purchase.

1.9.1.14 Mortgagee Change Requirements

The Seller will ensure that the insurance policy vendor and the tax monitoring provider receive the new mortgagee clause information to update Its Successors and/or Assigns ISAOA language

- Hazard insurance payee
  - Applies to all hazard insurance policies except for a master insurance policy
- Flood insurance payee
  - Applies to all flood insurance policies except for a master insurance policy
- Taxing authority, or the Seller's tax service vendor

- Title insurance policy

For mortgagee clause information, click here to see the New Servicer Reference Guide.

1.9.1.15 Loss Draft Requirements

If a claim is in process prior to the Servicing Transfer Date, the Seller should continue to process the claim. On the Servicing Transfer date, any remaining undisbursed funds and all claim documentation received by the Seller for the claim should be forwarded to the New Servicer.

1.9.1.16 Year End Tax / IRS Reporting

The Seller or their sub-servicer is responsible for providing 1098 reporting to the mortgagor for the period they serviced the loan.

The New Servicer is responsible for providing 1098 reporting to the mortgagor for the period they serviced the loan.

1.9.1.17 Payoffs

1.9.1.17.1 PAYOFFS PRIOR TO SERVICING TRANSFER

Payoff requests received prior to the Servicing Transfer Date must be provided by the Seller or Current Servicer. ***Payoff calculations must include any applicable prepayment penalty amounts.***

If payoff funds are received before the Servicing Transfer Date the funds should be wired within 24 hours to Verus Mortgage Capital. Notification of payoffs along with a copy of the payment history and payoff statement should be sent to: ServicingTransfers@verusmc.com and to VerusAccounting@invictuscp.com. Verus will provide wire instructions. Failure to provide the appropriate payoff data and funds timely may result in payoff delay and any additional accrual of interest may be assessed to the Seller.

For wire information, click here to see the New Servicer Reference Guide.

1.9.1.17.2 PENDING PAYOFFS

If the Seller or Current Servicer has issued a payoff statement prior to the Servicing Transfer Date, then they must provide to the New Servicer a list of accounts with a valid payoff statement pending at the time of servicing transfer. Include the following information:

- Loan Number
- Payoff amount
- Good-through date

Copies of all valid payoff statements issued for which funds have not been received must be provided to the New Servicer.

For information on where to send trailing document images, click here to see the New Servicer Reference Guide.

1.9.1.17.3 EARLY PAYOFF (EPO) PREMIUM RECAPTURE

Loans paying off early, as defined in the Seller's Mortgage Loan Purchase Agreement, will be subject to Premium Recapture.

CHAPTER 2 - ELIGIBILITY

2.1 PRIME JUMBO MATRIX

See Loan/LTV Matrix located on the Verus website: www.verusmc.com.

2.1.1 ELIGIBLE PRODUCTS

The following loan products are eligible for purchase by Verus:

PRODUCT	QUALIFYING RATE	TERM	INDEX	CAPS
15 YR FIXED	Note Rate	180	NA	NA
30 YR FIXED	Note Rate	360	NA	NA
5/6 ARM	Higher of Fully indexed or Note Rate, plus 2%	360	30-day avg SOFR	2/1/5
7/6 ARM	Higher of Fully indexed or Note Rate	360	30-day avg SOFR	5/1/5
10/6 ARM	Higher of Fully indexed or Note Rate	360	30-day avg SOFR	5/1/5

ADDITIONAL ARM CRITERIA			
Adjustment Reset Period	**Lookback Period**	**Margin**	**Floor**
6-months	45-days	See Rate Sheet	Margin

2.1.1.1 QUALIFYING PAYMENT

The qualifying payment is based upon the principal and interest payment along with 1/12th of the annual real estate taxes, property insurance, any other insurance, and any association dues.

2.1.2 INELIGIBLE PRODUCT FEATURES

- Loans with an Interest Only feature
- Loans with balloon payments
- Loans that do not meet the definition of Qualified Mortgage
- Loan Terms in excess of 30 years
- Texas Home Equity 50(a)(6)

2.1.3 LOAN AMOUNTS (12/23/2024)

PRIME JUMBO	
Minimum Loan Amounts	
1 Unit	$806,501
2 Units	$1,032,651
3 Units	$1,248,151
4 Units	$1,551,251
For Properties in High-Cost Areas, the following apply:	
1 Unit	1,209,751
2 Units	$1,548,976
3 Units	$1,872,226
4 Units	$2,326,876

2.1.4 MINIMUM CREDIT SCORE

See Loan/LTV Matrix for Fixed Rate and Adjustable Rate minimum credit scores.

2.1.5 PRIVATE MORTGAGE INSURANCE (PMI)

Private Mortgage Insurance (PMI) is not required on any loan eligible for sale to Verus Mortgage Capital.

2.2 AGE OF DOCUMENT REQUIREMENTS

The following documents may not be more than 120 days old at closing (the date the Note is signed):

- Income verification / paystubs
- Mortgage /rental verification
- Asset documents / bank statements
- Credit Report
- Title commitment / Preliminary Report / Binder
- Appraisal: The appraisal must be dated within 120 days of the Note date. An appraisal exceeding 120 days is not eligible and a new appraisal is required.

Any credit review documents exceeding these timeframes must be updated.

2.2.1 THIRD-PARTY VERIFICATION

It may be necessary for the applicant to explain or clarify information provided on the application or for a third-party to clarify information provided on a verification request form. This should be completed in writing and included in the underwriting file.

2.3 BORROWER ELIGIBILITY

2.3.1 RESIDENCY

2.3.1.1 US CITIZEN

Eligible without guideline restrictions.

2.3.1.2 PERMANENT RESIDENT ALIEN

An alien admitted to the United States as a lawful permanent resident. Lawful permanent residents are legally accorded the privilege of residing permanently in the United States.

- Acceptable evidence of permanent residency include the following:
  - Alien Registration Receipt Card I-151 (referred to as a green card).
  - Alien Registration Receipt Card I-551 (Resident Alien Card) that does not have an expiration date on the back (also known as a green card).
  - Alien Registration Receipt Card I-551 (Conditional Resident Alien Card) that has an expiration date on the back, and is accompanied by a copy of the filed INS Form I-751 (petition to remove conditions).
  - Non-expired foreign passport that contains a non-expired stamp (valid for a minimum of three years) reading "Processed for I-551 Temporary Evidence of Lawful Admission for Permanent Residence. Valid until [mm-dd-yy]. Employment Authorized."
- Eligible without guideline restrictions.

2.3.1.3 NON-PERMANENT RESIDENT ALIEN

An individual admitted to the United States as a lawful temporary resident. Lawful non-permanent residents are legally accorded the privilege of residing temporarily in the United States. For Verus programs, sellers must validate the borrower has employment authorization. This may be documented with either an EAD or a VISA permitting employment.

- Borrower Eligibility Requirements:
  - Residing in U.S. for at least 2 years; and
  - Must have been employed in the U.S. for at least 2 years as evidenced on the loan application; and
  - Must have valid Social Security Number(s); and
  - Must have established U.S. credit, see Section 2.5 – Credit.
- Employment Status Documentation is required for all borrowers, and may consist of one of the following:
  - Employment Authorization Documents, provide one of the following:
    - Form I-766 Employment Authorization Document (EAD), (work permit/card) is required for US employment if the borrower is not sponsored by a current employer.
      - If the EAD will expire within six (6) months of loan application, it is acceptable to obtain a letter from the employer documenting the borrower's continued employment and continued EAD renewal. The employer on the loan application must be the same as on the unexpired

EAD. The EAD documentation is acceptable for up to 540 days if an automatic extension has been granted.

- Form I-765 Application for Employment Authorization, the form:
  - Must reflect approval status in the Action Block (upper right-hand corner of the form)
- Form I-797, I-797A, I-797B, or I-797C conveying approval status
  - Petitioner to match employer name on application

- If EAD is not provided, a copy of the Visa permitting employment authorization needs to be included in the credit file.
  - The following VISA types are acceptable: E-1, E-2, E-3, G-1 through G-5, H-1B, L-1A, L-1B, O-1, R-1.
  - Other VISA types permitting employment may be considered, see the U.S. Dept of State Website at Directory of Visa Categories (state.gov).

2.3.2 NON-OCCUPANT CO-BORROWERS

Non-occupant co-borrowers are not allowed.

2.3.3 FIRST-TIME HOME BUYERS

An individual is to be considered a first time homebuyer (FTHB) who is (1) purchasing the security property; and (2) had no ownership interest (sole or joint) in a residential property during the three-year period preceding the application date of the security property. Note: An individual who is a displaced homemaker or single parent also will be considered a first time homebuyer if he or she had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three-year time period.

The following requirements apply to first-time homebuyer transactions:

- Primary residence only.
- 12-month rental history is required, reflecting 0x30.
- Minimum 5% contribution from the borrower's own funds.
- ARM Loans – See Loan/LTV matrix for additional restrictions.

2.3.4 INELIGIBLE BORROWERS

- Irrevocable Trust
- Land Trust
- Blind Trust
- Persons with Diplomatic Immunity, as defined by US Citizenship and Immigration Services
- Persons sanctioned by OFAC
- Entity
- Any material parties (company or individual) to the transaction listed on HUD's Limited Denial of Participation (LDP) list, the federal General Services Administration (GSA) Excluded Party list, or any other exclusionary list.

2.3.5 TITLE VESTING AND OWNERSHIP

2.3.5.1 Vesting for Consumer Purpose Loans

Ownership must be fee simple title. Title must be in the borrower's name at the time of application for refinance transactions.

Eligible forms of vesting are:

- Individuals
- Joint tenants
- Tenants in common
- Inter vivos revocable trust

Ineligible forms of vesting are:

- Land trusts
- Blind trusts
- Irrevocable trust
- IRAs
- Entity

2.3.5.1.1 INTER VIVOS REVOCABLE TRUST

Title vesting in an inter vivos revocable trust is permitted when the requirements set forth in this section are followed. The Fannie Mae® requirements should be followed to the extent this section is silent.

An inter vivos revocable trust is a trust that:

- an individual creates during their lifetime;
- becomes effective during its creator's lifetime; and
- can be changed or canceled by its creator at any time, for any reason, during that individual's lifetime

Trust eligibility is not affected if the trust documents contain a provision that the trust will, in the future, become irrevocable upon the death of one of the settlors/trustees.

Trust and Trustee Requirements:

The trust must be established by one or more natural persons, solely or jointly. The primary beneficiary of the trust must be the individual(s) establishing the trust. If the trust is established jointly, there may be more than one primary beneficiary as long as the income or assets of at least one of the individuals establishing the trust will be used to qualify for the mortgage.

The trustee must include either

- the individual establishing the trust (or at least one of the individuals, if two (2) or more); or
- an institutional trustee that customarily performs trust functions in, and is authorized to act as trustee under the laws of, the applicable state.

The trustee must 1) have the power to hold the title and 2) mortgage the security property for the purpose of securing a loan to the individual (or individuals) who are the borrower(s) under the mortgage or note. One or more of the trustees establishing the trust must use personal income and/or assets to qualify for the mortgage.

Documentation Requirements:

- Trust documents are to be obtained as follows:
  - Fully executed and notarized Certificate of Trust
    - Or as applicable under state law
  - If the trust was created under the laws of Louisiana:
    - Trust Extract
  - If allowed by state law, alternative trust documentation may be acceptable
- Trust documents are to verify the following:
  - Trust is revocable
  - Borrower is the trustee and settler of the trust
  - Borrower is the primary beneficiary of the trust, when disclosed
  - Trustee is:
    - Duly qualified under applicable law to serve as trustee
    - Fully authorized under the trust documents and applicable law to pledge or otherwise encumber the trust assets

2.3.5.2 Power of Attorney

A limited Power of Attorney is acceptable when all the following are met:

- It is specific to the transaction;
- It is recorded with the Mortgage/Deed of Trust;
- It contains an expiration date;
- It is used to execute only the final loan documents;
- The Borrower who executed the POA signed the initial FNMA Form 1003;
- An interested party to the transaction (such as seller, broker, loan officer, realtor, etc.) may not act as Power of Attorney.
- Not eligible for cash-out transactions.

2.3.6 OCCUPANCY TYPES

- Primary Residence – A primary residence is a property that the borrower occupies as his or her principal residence. May also be referred to as owner-occupied.
- Second Home – A second home is a property occupied by the borrower for some portion of the year. The following criteria applies:
  - Restricted to one-unit dwellings.
  - Must be suitable for year-round occupancy.
  - The borrower must have exclusive control over the property. Cannot be subject to any agreements giving control over occupancy to a management firm, rental pools, or timeshare arrangement.
- Investment Property – An investment property is owned but not occupied by the borrower.

2.3.7 OCCUPANCY

The borrower must acknowledge the intended occupancy of the subject property ("Primary Residence", "Second Home", or "Investment") by completing and signing the appropriate sections of the "Occupancy Certification" found in the Occupancy Certification of this guide.

2.4 TRANSACTION TYPES

2.4.1 ELIGIBLE TRANSACTIONS

2.4.1.1 PURCHASE

- Proceeds from the transaction are used to finance the acquisition of the subject property.
- LTV/CLTV is based upon the lesser of the sales price or appraised value.
- Assignment of contract or finder's fees reflected on the purchase contract are ineligible.

- Arm's Length For-Sale-By-Owner (FSBO) transactions allowed.
  - If Non-Arm's Length, see Section 2.4.3 – Non-Arm's Length Transactions.
- Ensure the transaction is compliant with the Higher Priced Mortgage Loan appraisal rule.
- The loan file must include a fully executed agreement (purchase contract) of sale and counteroffer (if applicable) reflecting the following:
  - The purchase contract cannot be expired.
  - Borrower as the purchaser of the property.
  - Seller as the vested owner on title.
  - Correct sales price.
  - Amount of down payment.
  - Closing dates.
  - Concessions and seller contributions.
- Buyer's Real Estate Agent Commission - In response to the NAR Settlement, the following apply:
  - Commission paid by the property buyer: Considered a closing cost.
    - Source of funds must be documented in assets.
    - If borrowed or financed, the monthly payment must be included in the debt-to-income ratio.
  - Commission paid by the property seller:
    - Not considered an interested party contribution if seller agrees to pay according to the negotiated terms of the purchase contract.

2.4.1.2 RATE/TERM REFINANCE

Proceeds from the transaction are used to:

- Pay off an existing first mortgage loan and any subordinate loan used to acquire the property.
- Pay off any subordinate loan not used in the acquisition of the subject property, provided one of the following apply:
  - Closed-end loan, at least 12 months of seasoning has occurred.

  - HELOC, at least 12 months of seasoning has occurred, and total draws over the past 12 months are less than $2,000.
- Buy out a co-owner pursuant to an agreement.
- Pay off an installment land contract executed more than 12 months from the loan application date.

Other considerations:

- Cash back in an amount not to exceed the lesser of 2% of the new loan amount or $5,000 can be included in the transaction.
- LTV/CLTV is based upon the appraised value.
- Refinance of a previous loan that provided cash out, as measured from the previous Note date to the new Note date, and is seasoned less than 12-months, will be considered a cash out refinance.

2.4.1.3 Cash-Out

A refinance that does not meet the definition of a rate/term transaction is considered cash-out. See Loan/LTV Matrices for maximum cash-out amounts and restrictions.

- Cash-Out Seasoning is defined as the length of time the subject property has been owned by the borrower, as measured by the property acquisition date (Note date) to the subject transaction Note date.
  - Minimum borrower seasoning requirement of six (6) months is required.
  - Less than six (6) months seasoning is allowed, the current appraised value may be used, with one of the following documented circumstances:
    - Borrower acquired the subject property through an inheritance, or
    - Subject property was legally awarded the property through divorce, separation, or dissolution of a domestic partnership.
- Property Value Determination
  - For properties owned 12-months or longer: LTV/CLTV is based upon the appraised value.
  - For properties owned greater than 6 months but less than 12-months: LTV/CLTV is limited to the lower of the current appraised value or the property's purchase price plus documented improvements.
  - For properties owned less than 6 months, see Section 2.4.1.4 – Delayed Financing for eligibility.
- A mortgage secured by a property currently owned free and clear is considered cash-out.
- The payoff of delinquent real estate taxes (60 days or more past due) is considered cash-out.
- Cash-out is not eligible to satisfy the reserve requirements.
- Loans not eligible for cash-out:
  - Properties listed for sale in the past six (6) months.
  - There has been a prior cash-out transaction within the past six (6) months
  - Payoff of a Land Contract/Contract for Deed.
  - Loans with Power of Attorney.
  - Loans secured by property located in the following States: HI & TX.
  - Loan secured by a condominium in the State of FL limited to max LTV: 65%

2.4.1.4 Delayed Financing

- Delayed purchase financing is eligible when a property was purchased by a borrower for cash within 180 days of the loan application.

- The transaction is considered cash out refinance for pricing and eligibility. Cash-in-hand limits do not apply.
- The original purchase transaction was an arms-length transaction.
- The source of funds for the purchase transaction are documented (such as bank statements, personal loan documents, or a HELOC on another property).
- The maximum LTV/CLTV ratio for the transaction is based upon the lower of the current appraised value or the property's purchase price plus documented improvements.
- The preliminary title search or report must confirm that there are no existing liens on the subject property
- The new loan amount can be no more than the actual documented amount of the borrower's initial investment subject to the maximum LTV/CLTV for cash-out transactions.

2.4.2 LISTING SEASONING

For all cash-out refinances, properties previously listed for sale must be seasoned at least six months from the listing contract expiration date to the loan application date.

2.4.3 NON-ARM'S LENGTH TRANSACTIONS

2.4.3.1 Non-Arm's Length Transaction

Non-arm's length transactions are purchase transactions in which there is a relationship or business affiliation between the seller and the buyer of the property. Examples of non-arm's length transactions include family sales, property in an estate, employer/employee sales, and flip transactions.

When the property seller is a corporation, partnership, or any other business entity, it must be ensured that the borrower is not an owner of the business entity selling the property.

A non-arm's length transaction is not intended to bail out a family member who has had difficulties making their mortgage payment. A thorough review of the title report in these cases is required, as well as the payment history pattern (verification of the Seller's mortgage [VOM]).

2.4.3.2 Non-Arm's Length Transaction Restrictions

- Renter(s) purchasing from landlord.
  - 12-months of cancelled checks to prove timely payments are required.
  - A verification of rent (VOR) is not acceptable.
- Purchase between family members.
  - Gift of Equity requires a gift letter, and the equity gift credit is to be shown on the CD.
    - Must provide a 12- month mortgage history on the existing mortgage securing the subject property, confirming the Family Sale is not a foreclosure bailout.
- Borrower to provide verification of earnest money deposit.
- Maximum LTV/CLTV of 80%.
- Employer to employee sales or transfers are not allowed (e.g., newly constructed properties).
- Property trades between buyer and Seller are not allowed.

- Commission earned by buyer/borrower cannot be used for down payment or monthly PITIA reserves.

2.4.4 INTERESTED PARTY CONTRIBUTIONS (SELLER CONCESSIONS)

Primary and Second Home

- Maximum contribution:
  - 6% for LTV > 75%
  - 9% for LTV ≤ 75%

Investment

- May not exceed 2%

All Interested Party Contributions must be properly disclosed in the sales contract, appraisal, loan estimate and closing disclosure and be compliant with applicable federal, state, and local law.

Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender, or their affiliates, or any other party with an interest in the real estate transaction. A borrower participating in the transaction (i.e., borrower acting as their own agent) may contribute funds (i.e., commission) up to the maximum contribution limits referenced above.

Interested party contributions may only be used for closing costs and prepaid expenses (Financing Concessions) and may never be applied to any portion of the down payment or contributed to the borrower's financial reserve requirements. If an Interested Party Contribution is present, both the appraised value and sales price must be reduced by the concession amount that exceeds the limits referenced above.

2.4.5 ESCROWS - IMPOUND ACCOUNTS

Escrow accounts may be established by the seller, originator, or servicer to hold funds allocated for the payment of a borrower's property taxes and insurance as they are received each month in accordance with the borrower's mortgage documents and until such time as they are disbursed to pay the related bills.

HPML loans require an escrow account for property taxes, hazard insurance, and flood insurance (if applicable).

For Non-HPML loans, escrow waivers are allowed for property taxes and hazard insurance without overlay criteria. Flood insurance (if applicable) is required to be escrowed for all loans.

2.4.6 SECONDARY FINANCING

- Private-party secondary financing not allowed
- Secondary financing must be subordinated and included in CLTV
- HELOC CLTV must be calculated at the maximum available line amount unless the borrower can provide documentation showing the line of credit is past its draw period

2.5 CREDIT

Credit can be defined as the relative expectation of performance given the characteristics of the loan. A borrower(s) past repayment pattern of financial obligations is one component of determining willingness to repay future obligations. In addition to repayment history, the credit report should be reviewed for the number of open accounts, length of credit history, utilization, types of accounts, inquiries, and newly opened accounts.

2.5.1 CREDIT REQUIREMENTS

The loan file must be manually underwritten using the Credit (Chapter B3-5) and Liability (Chapter B3-6) criteria from the FNMA Seller Guide dated 6/03/2020.

2.5.2 CREDIT REPORTS

A credit report is required for each individual borrower. The credit report should provide merged credit data from the three major credit repositories: Experian, TransUnion, and Equifax. Either a three-bureau merged report, or a Residential Mortgage Credit Report is required.

- The credit report used to evaluate a loan may not reflect a security freeze. If the borrower(s) unfreeze credit after the date of the original credit report, a new tri-merged report must be obtained to reflect current and updated information from all repositories.
- Inquiries: Recent inquiries within 90 days of the credit report date must be explained by the borrower.

2.5.3 GAP CREDIT/UNDISCLOSED DEBT

A gap credit report or Undisclosed Debt Monitoring (UDM) report is required no more than 10- days prior to loan closing or any time after closing. Any new tradeline with a balance must be included in determining the DTI ratio.

2.5.4 FRAUD REPORT AND OFAC SEARCH

2.5.4.1 Fraud Report

Data integrity is crucial to quality loan file delivery and mitigation of fraud risk. All parties involved in the transaction must be included in the fraud report performed by an automated fraud and data check vendor solution.

Requirements:

- Transaction participants must be included in the fraud report as follows: Borrowers, Property Sellers, Settlement Agents
- An industry recognized fraud and data vendor must be used (i.e., Fraud Guard, CoreLogic, DataVerify, TransUnion TLOxp, LexisNexis: SmartLinx, Instant ID, or other industry recognized fraud and data vendor)

- A copy of the findings report from the vendor must be provided in the loan file with all "high" alerts, or "red flags" addressed and/or cleared by the seller.
    - Sellers may clear "high" alerts or "red flags" directly through the vendor solution or with a signed attestation. The attestation must address each "high" alert, or "red flag" noted in the fraud report. Verus may request additional documentation to address high fraud risk.

2.5.4.2 OFAC SEARCH

The Office of Foreign Assets Control (OFAC) of the US Department of Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against individuals and foreign countries. A clear OFAC search for individuals is required.

2.5.4.2.1 INDIVIDUALS

Individuals identified on OFAC's SDN list are not eligible. All individuals involved in the transaction must be screened through exclusionary lists and must be cleared through OFAC's SDN list, regardless of citizenship status.

Requirements:

- A search of Specially Designated Nationals & Blocked Persons list must be completed via the US Department of Treasury: http://sanctionssearch.ofac.treas.gov.
- Individuals to be included in the OFAC search: Borrowers, Property Sellers, Settlement Agents.

2.5.5 CREDIT INQUIRIES

Credit inquiries listed on the report within 90 days of the report date must be addressed by the borrower with a letter of explanation. If no credit was extended, borrower must state the purpose of the inquiry. If new credit was extended, borrowers must provide documentation on the current balance and payment. New payment terms are to be included in the DTI ratio.

2.5.6 HOUSING HISTORY

- Housing payment history is required for all Real Estate Owned (REO) evidencing the payment activity for the most recent 12-months.
- All payment history will be used for program eligibility.
- On the date of the loan application, the borrower's existing mortgage must be current, which means that no more than 45 days may have elapsed since the last paid installment date.
- Any REO listed on the application owned free & clear requires a Property Profile Report or similar document.
    - Property taxes, all insurance, and homeowner's association dues (if applicable) are to be verified and included in DTI
- Borrowers who are currently renting a residence, a most recent 12-month rental history is required reflecting paid as agreed.
- If income is being used from a non-subject REO, a housing history is required.
    - Applies to properties vested to an individual or entity.

- Mortgage liability must be factored in to the net rental income used for qualification.

2.5.6.1 Mortgage Verification

The seller must review the borrower's credit report to determine the status of all mortgage accounts. If a borrower had previous mortgages, the seller does not have to independently verify the mortgage's payment history provided the credit report includes a reference to the mortgage (or mortgages) and reflects 12 months of the most recent payment activity.

If adequate mortgage payment history is not included in the borrower's credit report, the seller must use the following to verify the borrower's payment history on a previous mortgage(s):

- a standard mortgage verification; or
- loan payment history from the servicer; or
- the borrower's canceled checks for the last 12 months; or
- the borrower's year-end mortgage account statement, provided the statement includes a payment receipt history, and, if applicable, canceled checks for the months elapsed since the year-end mortgage account statement was issued.

For properties owned free and clear, a property profile report or similar document showing no lien against the property should be provided in the credit file. Any balloon notes with an expired maturity date exceeding 30 days requires an extension to avoid being counted as delinquent.

2.5.6.2 Rental Verification

The housing payment for each borrower's principal residence must be considered when underwriting the loan, documented through one of the following:

- Six months canceled checks or equivalent payment source; or
- Six months bank statements reflecting a clear and consistent payment to an organization or individual; or
- Direct verification of rent from a management company or individual landlord; or
- Copy of a current, fully executed lease agreement and two months canceled checks (or equivalent payment source) supporting the rental payment amount.

2.5.6.3 Lawsuits

Any borrower that is a party to a lawsuit is ineligible.

2.5.7 BANKRUPTCY HISTORY

Recent bankruptcies are not allowed. Evidence of bankruptcy resolution is required. The length of time is measured from the discharge/dismissal date to the Note date.

- Bankruptcy must be completed a minimum of 84 months.
- In the case of a foreclosure which was included in a bankruptcy, the seasoning timeline will start from the earlier of the date of discharge of bankruptcy and the foreclosure completion date.

2.5.8 FORECLOSURE / DEED-IN-LIEU / SHORT SALE / PREFORECLOSURE / MORTGAGE CHARGE-OFF / NOTICE OF DEFAULT

Must be completed a minimum of 84- months. The length of time is measured from the settlement date to the Note date. In the case of a foreclosure which was included in a bankruptcy, the seasoning timeline will start from the earlier of the date of discharge of bankruptcy and the foreclosure completion date.

The following events are considered the same as a foreclosure for loan eligibility:

- Deed-In-Lieu of Foreclosure: Transaction in which the deed to the real property is transferred back to the servicer. These are typically identified on the credit report through Remarks Codes such as "Forfeit deed-in-lieu of foreclosure."
- Short Sale or Preforeclosure Sale: Sale of a property in lieu of a foreclosure resulting in a payoff of less than the total amount owed, which was pre-approved by the servicer. These are typically identified on the credit report through Remarks Codes such as "Settled for less than full balance."
- Charge-off of a Mortgage Account: Occurs when a creditor has determined that there is minimal likelihood that the mortgage debt will be collected. A charge-off is typically reported after an account reaches a certain delinquency status and may be identified on the credit report with a manner of payment (MOP) code of "9."
- Notice of Default: Public notice filed with a court or local recording office to being the process of foreclosure.

2.5.9 FORBEARANCE, MODIFICATION, OR DEFERRALS

Must be completed a minimum of 84- months. Any loan payment history that appears to reflect a forbearance, modification, or deferral may require additional documentation, such as canceled checks or bank statements to show payments were made.

2.5.10 CREDIT SCORE

Loan eligibility is based upon the representative credit score, also referred to as the decision credit score. A valid decision credit score requires at least one (1) borrower to have a minimum of two (2) credit scores. To determine a borrower(s) credit score use the lower of two (2) or middle of (3) credit scores. For loan files with multiple borrowers, use the lowest decision score amongst all the borrowers.

2.5.11 TRADELINES

2.5.11.1 Standard Tradelines

For All Programs:

- At least three (3) tradelines reporting for a minimum of 24 months, with activity in the last 12 months; or

- At least one (1) mortgage reporting for 12 months and three (3) trades reporting open/closed in the past 12 months.

Borrowers who do not meet one of the above tradeline requirements, but have a minimum of two credit scores, can alternatively satisfy the tradeline requirement by meeting the below requirements:

- No fewer than eight (8) tradelines are reporting, one (1) of which must be a mortgage or a rental history.
- At least one (1) tradeline has been open and reporting for a minimum of twelve (12) months.
- The borrower has an established credit history for at least eight (8) years.
- Tradelines with recent serious adverse history are not acceptable.
- Student loans can be counted in credit depth as long as they are in repayment and not being deferred.

The following are not acceptable to be counted as tradelines:

- "Non-traditional" credit as defined by Fannie Mae®
- Any liabilities in deferment status
- Accounts discharged through bankruptcy
- Authorized user accounts
- Charge-offs
- Self-reported tradeline
- Collection accounts
- Foreclosures
- Deed-in-lieu of foreclosure
- Short sales
- Pre-foreclosure sales

2.5.12 OBLIGATIONS NOT APPEARING ON CREDIT REPORT

2.5.12.1 Housing and Mortgage-Related Obligations

Housing and mortgage-related obligations include property taxes, insurance premiums, and similar charges that are required by the creditor (i.e., mortgage insurance), ground rent, and leasehold payments. All properties owned by the borrower must be fully documented in this regard on the Schedule of Real Estate Owned (REO) section of the FNMA Form 1003 loan application. These obligations must be verified using reasonably reliable records such as taxing authority or local government records, homeowner's association billing statements, or information obtained from a valid and legally executed contract.

2.5.12.2 Current Debt Obligations, Alimony, and Child Support

A Seller may use a credit report to verify a borrower's current debt obligations, unless the Seller has reason to know that the information on the report is inaccurate or disputed. Obligations that do not appear on the credit report, such as alimony and child support, must be documented through other methods according to Fannie Mae® guidelines.

When the borrower is required to pay alimony, child support, or separate maintenance payments under a divorce decree, separation agreement, or any other written legal agreement - and those payments must continue to be made for more than 10 months - the payments must be considered as part of the borrower's recurring monthly debt obligations. However, voluntary payments do not need to be taken into consideration and an exception is allowed for alimony. For alimony obligations, the Seller has the option to reduce the qualifying income by the amount of the alimony obligation in lieu of including it as a monthly payment in the calculation of the DTI ratio. If

the Seller exercises this option, a copy of the divorce decree, separation agreement, court order, or equivalent documentation confirming the amount of the obligation must be obtained and retained in the loan file.

2.6 ASSETS

The following apply to all transactions unless otherwise stated. If not addressed below, any asset requirements must follow criteria in the FNMA Seller Guide dated 6/03/2020.

2.6.1 ASSET REQUIREMENTS

Sufficient funds for down payment, closing costs, and reserves are required to be documented in each credit file. The documentation must cover a minimum two-month time period and dated within 120 days of the loan note date.

Large deposits: Any single deposit that represents greater than 50% of the borrower's qualifying monthly income are to be documented for a purchase transaction.

2.6.2 ASSET DOCUMENTATION

Assets must be documented based upon the FNMA Seller Guide dated 6/03/2020, Chapter B3-4 with the exception of the following overlays:

- The documentation must cover a minimum two-month time period and dated within 120 days of the loan note date.
- Business funds may be used for down payment and closing costs. The borrower must be listed as an owner of the account, and the account needs to be verified according to the above requirements.
- Business funds are not eligible to satisfy reserve requirements.
- If business funds are used, the borrower must be the sole proprietor or 100% owner of the business.
- A cash flow analysis must be performed showing the transaction will not have a negative impact on the business.

The following are not acceptable as asset documentation:

- Non-vested or restricted stock accounts.
- Cash-on-hand.
- Cryptocurrency.
- Sweat equity.
- Gift or Grant funds which must be repaid.
- Down payment assistance programs.
- Unsecured loans or cash advances.
- 529 Savings Plan.
- Funds contributed by a non-borrowing spouse unless documented as a gift. See Section 2.6.4 – Gift Funds.

2.6.3 RESERVES

- The Verus loan program requires minimum reserves as outlined on the matrix.
- Proceeds from a cash-out transaction not eligible for reserves.
- Business assets cannot be used as reserves.
- For Adjustable-Rate Mortgages (ARM), reserves are based upon the initial PITIA not the qualifying payment.
- Proceeds from a 1031 Exchange cannot be used to meet reserve requirements.
- Gift funds may not be used to meet reserve requirements.

2.6.4 GIFT FUNDS

- Gifts of equity are ineligible.
- Gifts are not allowed on investment property.
- Gift Funds are acceptable for the following:
    - For primary residence and second home properties, a 5% down payment has been made by the borrower from their own funds.

2.6.4.1 Eligible Donors and Documentation

- Per FNMA Seller Guide dated 6/03/2020.

2.7 INCOME

The following apply to all transactions unless otherwise stated. If not addressed below, any income requirements must follow criteria in the FNMA Seller Guide dated 6/03/2020.

2.7.1 INCOME ANALYSIS

2.7.1.1 Income Worksheet

The loan file must include an income worksheet detailing income calculations. Income analysis for borrowers with multiple businesses must show income/loss details for each business separately, not in aggregate.

2.7.1.2 Employment/Income Verification

- A minimum of two (2) years of employment history for both wage/salary or self-employment, is required to be documented on the loan application (FNMA Form 1003). When the borrower has less than a two-year history of employment, the Seller should document positive factors to offset the shorter employment history, such as education or training.
- Any gaps in employment that span one or more months must be explained.

- Salary/Wage Earner – income derived from employment at a business. Compensation may be based upon a salary, hourly wage, bonus, commission, or overtime.
- Any borrower with a 25% or greater ownership interest in a business/entity or is paid using IRS form 1099 is considered self-employed.
- The following are common business structures:
  - Sole proprietorship
  - Limit Liability Company (LLC)
  - Partnerships
  - S-Corporation
  - Corporation
- If any borrower is no longer employed in the position disclosed on the FNMA Form 1003 at the Verus purchase date, Verus will not purchase the loan.
- Earnings Trends: Follow FNMA Seller Guide dated 6/03/2020.

2.7.2 DEBT-TO-INCOME (DTI) RATIO

Maximum DTI Ratio

- All transactions – 45%, if > 43% Rate Spread Safe harbor and Verification Safe Harbor must be satisfied.

The DTI ratio consists of two components:

- The borrower's monthly debt obligations include the monthly mortgage payment for the subject loan, any simultaneous loans secured by the subject property, monthly mortgage-related obligations (property taxes, hazard/flood/other insurance, HOA fees, etc.), and consumer's current debts, alimony and child support obligations.
- The borrower's current monthly documented income used to qualify for the loan.

Monthly mortgage-related obligations include real estate taxes, property insurance, any other insurance, and any association dues.

- Calculating Real Estate Tax Payment for subject property:
  - For purchase and construction-related transactions, the Seller must use a reasonable estimate of the real estate taxes based on the value of the land and the total of all new and existing improvements.
    - State of California exception: Use 1.25% of the purchase price to determine the monthly tax payment.
  - For refinance transactions, use the current tax assessment.

2.7.3 DOCUMENTATION OPTIONS

2.7.3.1 IRS FORM 4506-C

A signed IRS Form 4506-C is required in every file for all borrowers.

2.7.3.2 Tax Transcripts

Tax transcripts (personal and business, if applicable) are required in every file.

If the transcript request is returned with a code 10, or the borrower is a victim of taxpayer identification theft, the following must be provided to validate income:

- A copy of the IRS rejection with a code of "Unable to Process" or "Limitation".
- Proof of identification theft, as evidenced by one (1) of the following:
  - Proof that the identification theft was reported to and received by the IRS (IRS Form 14039).
  - A copy of the notification from the IRS alerting the taxpayer to possible identification theft.
- In addition to one (1) of the documents above, if applicable, a Tax Transcript showing fraudulent information.
- Record of Account from the IRS - Adjusted Gross Income and Taxable Income should match the borrower's personal tax return (Form 1040). Validation of prior tax year's income (The income for the current year must be in line with prior years.)

2.7.3.3 Taxpayer First Act

The Taxpayer First Act includes a provision that persons receiving tax return information must obtain the express permission of taxpayers prior to disclosing that tax return information to any other person. "Tax return information" is defined under the IRS Code, 26 U.S.C. § 6103.

Therefore, if a Seller or servicer obtains tax return information during the origination or servicing of a mortgage loan, the Seller or servicer must obtain express consent from the taxpayer to be able to share the tax information with another party. Such sharing would extend to actual or potential owners of the loan, such as Verus or any other loan participant.

To ensure compliance with the law, the Taxpayer Consent Form has been created. To comply, the Seller must include either the Verus version or their own version of the document in all loan files that include tax returns.

2.7.4 STANDARD DOCUMENTATION

The loan file must be manually underwritten using the Income Documentation Requirements (Chapter B3-3) from the FNMA Seller Guide dated 6/03/2020, including verbal verification of employment.

2.7.4.1 Ineligible Income Sources

- Boarder income
- Educational benefits
- Rental Income from a Departure Residence
- Gambling winnings
- Illegal income such as cannabis
- Mortgage Credit Certificates
- Mortgage Differential Payments
- Refunds of federal, state or local taxes
- Restricted Stock Units

2.8 PROPERTY ELIGIBILITY

2.8.1 APPRAISALS

2.8.1.1 Appraisal Requirements

Verus reserves the right to review all valuation reports and determine if the subject property value is supported. Transferred appraisals are not allowed.

Appraisers must meet all industry standards and be State Certified. All real estate appraisals must be performed according to the Uniform Standards of Professional Appraisal Practice (USPAP) and Fannie Mae® guidelines, including Universal Appraisal Dataset (UAD) requirements. Appraisal assignments must be obtained in a manner that maintains appraiser independence and does not unduly influence the appraiser to meet a predetermined value. Verus reserves the right to restrict the use of any specific appraiser and/or appraisal management company at its discretion.

Sellers are responsible for reviewing the appraisal report for accuracy, completeness, and its assessment of the marketability of the subject property. The Seller needs to determine that the subject property provides acceptable collateral for the loan. For guidance in the manual review of an appraisal report, see the Appraisal Review Guide.

The age and price of the subject property should fall within the age and price range of properties in the subject neighborhood. Comparable properties should be selected from the same neighborhood when possible. Selection of a comparable outside the subject neighborhood should be addressed within the report. For condominiums, at least one comparable should be from outside the subject project. Ideally, comparable sales should be within six months of the report date. Older comparable sales that are the best indicator of value should be addressed in comments by the appraiser.

A Full Interior/Exterior appraisal report, including color photographs, requires use of one of the following forms depending on the property type:

- Uniform Residential Appraisal Report - Fannie Mae® /Freddie Mac Forms 1004/70
- Small Residential Income Property Report - Fannie Mae® /Freddie Mac Forms 1025/72
- Individual Condominium Unit Appraisal Report - Fannie Mae® /Freddie Mac Forms 1073/465
- Appraisal Update and/or Completion Report - Fannie Mae® /Freddie Mac Forms 1004D/442
- Single Family Comparable Rent Schedule - Fannie Mae® /Freddie Mac Forms 1007/1000

Sellers must order appraisals using one of two processes. The appraisal must either be ordered through an Appraisal Management Company (AMC) that complies with Appraiser Independence Requirements (AIR), or via the correspondent's own AIR-compliant process.

2.8.1.1.1 APPRAISER LICENSE AND CERTIFICATION

The appraisal report forms identify the appraiser as the individual who:

- Performed the analysis, and
- Prepared and signed the original report as the appraiser.

This does not preclude appraisers from relying on individuals who are not state-licensed or state-certified to provide significant professional assistance, such as an appraiser trainee.

Supervisory Appraiser

If a supervisory appraiser is used, the supervisory appraiser does not need to physically inspect the subject property or comparables, but must sign the right side of the report and certify that they:

- Directly supervised the appraiser that prepared the appraisal report, and
- Reviewed the appraisal report, and
- Agree with the statements and conclusions of the appraiser, and
- Agreed to be bound by the certifications as set form in the appraisal report forms, and
- Take full responsibility for the appraisal report.

When an appraisal is completed by a trainee, a supervisory appraiser with a certified level license is required to sign the report.

Appraisal Trainee

A trainee may perform a significant amount of the appraisal (or the entire appraisal if they are qualified to do so) and must sign the left side of the appraisal certification as the Appraiser if:

- They are working under the supervision of a state-licensed or state-certified appraiser as an employee or sub-contractor, and
- The right side of the appraiser certification is signed by that supervisory appraiser, and
- It is acceptable under state law.

If the jurisdiction does not provide license numbers for trainees, the term Trainee should be entered in the Other field in the Appraiser Certification section.

2.8.1.1.2 APPRAISAL AGE

The appraisal should be dated no more than 120 days prior to the Note date, after 120 days, a new appraisal report is required.

2.8.1.1.3 SECOND APPRAISAL

A second appraisal is required when any of the following conditions exist:

- The loan balance exceeds $2,000,000.
- As required under the Appraisal Review Products section of this guide.

When a second appraisal is provided, the transaction's "Appraised Value" will be the lower of the two appraisals. The second appraisal must be from a different company and appraiser than the first appraisal.

2.8.1.1.4 APPRAISAL EVALUATION

The sales comparison approach must be used as the final appraised value.

Neighborhood Analysis

- Neighborhood boundaries should be described using four (4) cardinal directions, streets, waterways, other geographic features, and natural boundaries that define separation of one neighborhood from another.
- Neighborhood characteristics should be described with types and sizes of structures, architectural styles, current land uses, site sizes, and street patterns or designs.
- Factors that affect value and marketability should be mentioned in as much detail as possible – e.g., proximity of the property to employment and amenities, public transit, employment stability, market history, and environmental considerations.

Existing Construction

- If the appraiser reports the existence of minor conditions or deferred maintenance items that do not affect the safety, soundness, or structural integrity of the property, the appraiser may complete the appraisal "as is." These items must be reflected in the appraiser's opinion of value.
- When there are incomplete items or conditions that do affect the safety, soundness, or structural integrity of the property, the property must be appraised subject to completion of the specific alterations or repairs. These items can include a partially completed addition or renovation, or physical deficiencies that could affect the safety, soundness, or structural integrity of the improvements, including but not limited to, cracks or settlement in the foundation, water seepage, active roof leaks, curled or cupped roof shingles, or inadequate electrical service or plumbing fixtures. In such cases, the Seller must obtain a certificate of completion from the appraiser before the mortgage is delivered to Verus.
- Permanent and Functioning Heat Source – A permanent heat source is required except for properties located in geographic areas where it is typical not to have heat source and has no adverse effect on marketability.

Subject Section

The appraiser is required to research and identify whether the subject property is currently for sale or if it has been offered for sale in the 12-months prior to the effective date of the appraisal. If the answer is 'No,' the data source(s) used must be provided. If the answer is 'Yes,' the appraiser must report on each occurrence or listing and provide the following information:

- Offering price(s).
- Offering date(s).
- Data source(s) used. For example, if the subject property is currently listed for sale and was previously listed eight months ago, the appraiser must report both offerings.

Actual and Effective Ages

There is no restriction on the actual age of the dwelling. Older dwellings that meet general requirements are acceptable. Improvements for all properties must be of the quality and condition that will be acceptable to typical purchasers in the subject neighborhood. The relationship between the actual and effective ages of the property is a good indication of its condition. A property that has been well-maintained generally will have an effective age somewhat lower than its actual age. On the other hand, a property that has an effective age higher than its actual age probably has not been well-maintained or might have a specific physical problem. In such cases, the Seller

should pay particular attention to the condition of the subject property in its review of any appraisal report. When the appraiser adjusts for the "Year Built," he or she must explain those adjustments.

Accessory Dwelling Units (ADU)

Verus will purchase a one-unit property with an accessory unit. An accessory unit is typically an additional living area independent of the primary dwelling unit and includes a fully functioning kitchen and bathroom. Some examples may include a living area over a garage and basement units. Whether a property is defined as a one-unit property with an accessory unit or a two-unit property will be based on the characteristics of the property, which may include, but are not limited to, the existence of separate utilities, a unique postal address, and whether the unit is rented. The appraiser is required to provide a description of the accessory unit and analyze any effect it has on the value or marketability of the subject property.

If the property contains an accessory unit, the property is eligible under the following conditions:

- The property is defined as a one-unit property.
- There is only one accessory unit on the property; multiple accessory units are not permitted.
- The appraisal report demonstrates that the improvements are typical for the market through an analysis of at least one comparable property with the same use.
- The borrower qualifies for the mortgage without considering any rental income from the accessory unit.

Outbuildings

A Seller must give properties with outbuildings special consideration in the appraisal report review to ensure that the property is residential in nature. Descriptions of the outbuildings should be reported in the Improvements and Sales Comparison Approach sections of the appraisal report form.

TYPE OF OUTBUILDING	SUITABILITY
Minimal outbuildings, such as small barns or stables, that have relatively insignificant value in relation to the total appraised value of the subject property	The appraiser must demonstrate, using comparable sales with similar amenities, that the improvements are typical of the residential properties in the subject area for which an active, viable residential market exists.
An atypical minimal building	The property is acceptable provided the appraiser's analysis reflects little or no contributory value for it.
Significant outbuildings, such as silos, large barns, storage areas, or facilities for farm-type animals	The presence of the outbuildings may indicate that the property is agricultural in nature. The Seller must determine whether the property is residential in nature, regardless of whether the appraiser assigns value to the outbuildings.

Solar Panels

Any fixture that includes a UCC filing associated with the property and/or will create an easement on title is ineligible.

Private Roads

Require a permanent easement for ingress and egress with provisions for road maintenance.

Transfer of Appraisal

An appraisal transfer letter is not acceptable.

2.8.1.2 Appraisal Review Requirements

2.8.1.2.1 APPRAISAL REVIEW PRODUCTS

An appraisal review product is required on every loan file unless a second appraisal is obtained.

The following options are eligible review products:

- An enhanced desk review product from one of the following choices:
  - ARR from Stewart Valuation Intelligence FKA Pro Teck
  - CDA from Clear Capital
  - ARA from Computershare
  - CCA from Consolidated Analytics
  - VRR from Homegenius Real Estate
  - Valreview Appraisal Review Value from Valligent (Veros Software Company)
- If the enhanced desk review product reflects a value more than 10% below the appraised value or cannot provide a validation, the next option would be either a field review or a second appraisal. These must be from a different appraisal company and appraiser than the original appraisal.
- A field review or a second appraisal is acceptable. These may not be from the same appraiser or appraisal company as the original report.

2.8.1.3 Minimum Property Requirements

MINIMUM SQUARE FOOTAGE		
Single Family 700 sq. ft.	Condominium 500 sq. ft.	2-4 Units 400 sq. ft per individual unit

All properties must:

- Be improved real property.
- Be accessible and available for year-round residential use.
- Contain a full kitchen and a bathroom.
- Represent the highest and best use of the property.
- Not contain any health or safety issues.

2.8.1.4 Personal Property

Any personal property transferred with a real property sale must be deemed to have zero transfer value, as indicated by the sales contract and the appraisal. If any value is associated with the personal property, the sales

price and appraised value must be reduced by the personal property value for purposes of calculating the LTV/CLTV.

2.8.1.5 Escrow Holdbacks

Escrow holdbacks are not allowed. Any repair or maintenance required by the appraiser must be completed prior to loan purchase. Verus will not acquire any loan with an escrow holdback.

2.8.1.6 Declining Markets

If the trend of property values is downward, a "Declining Market" exists. This requires a 10% LTV reduction from the standard LTV matrix.

2.8.2 PROPERTY TYPES

2.8.2.1 Eligible Properties

- Single Family Detached
- Single Family Attached
- 2-4 Unit properties
- Fannie Mae® warrantable condos
- Properties of 20 acres or less without any ineligible features

2.8.2.2 Ineligible Properties

- Appraisal indicates condition ratings of C5 or C6, or a quality rating of Q6 as determined under the Uniform Appraisal Dataset (UAD) guidelines
- Leasehold
- Non-warrantable condos
- Mixed Use properties
- Vacant land or land development properties
- Deed-restricted and resale-restricted properties are ineligible
- Properties not readily accessible by roads that meet local standards
- Properties not suitable for year-round occupancy, regardless of location
- Properties zoned agricultural (including farms, ranches, or orchards)
- Hobby Farms or properties having agricultural features (barns, stables, arena, etc.)
- Properties zoned commercial
- Manufactured or Mobile homes
- Condo-hotels or co-op/timeshare hotels
- Projects that include registration services and offer rentals of units on a daily, weekly, or monthly basis
- Cooperative share loans
- Boarding houses, bed/breakfast properties, or single room occupancy
- Properties with zoning violations or illegal use
- Dome or geodesic properties

- Properties used as healthcare facilities (e.g., assisted living, elder care, recovery/treatment)
- Properties with nonresidential, income-producing structures on premise (e.g., billboards, cell phone towers, commercial workshop)
- Properties on Native American Land (Reservations)
- Log homes
- Hawaii properties located in lava zones 1 and/or 2
- Houseboats
- Fractional ownership
- Properties used for the cultivation, distribution, manufacture, or sale of marijuana
- Rural property:
    - A property is classified as rural if:
        - The appraiser indicates in the neighborhood section of the report a rural location; or
        - Any two (2) of the following conditions exist:
            - The property is located on an unpaved road
            - Two of the three comparable properties are more than 5 miles from the subject property
            - Less than 25% of the surrounding area is developed

2.8.3 ACREAGE LIMITATIONS

- A maximum of 20 acres
- No truncating allowed

2.8.4 STATE ELIGIBILITY/GEOGRAPHIC RESTRICTIONS

- Nationwide - excluding Puerto Rico, Guam, and the US Virgin Islands
- Texas 50(a)(6) – not eligible

2.8.5 NEW YORK – CEMA

Consolidation, Extension, and Modification Agreement (CEMA) may be utilized for refinance transactions secured by property located in the State of New York. Attorney's experienced in reviewing and preparing CEMA documentation should be utilized. See specific requirements in Section 1.8.1.2.1 - CEMA Documentation.

2.8.6 VERUS EXPOSURE – BORROWER LIMITATIONS

Verus' exposure to a single borrower shall not exceed $5,000,000 in current unpaid principal balance (UPB) or five (5) properties.

2.8.7 DISASTER AREAS

Sellers are responsible for identifying geographic areas impacted by disasters and taking appropriate steps to ensure the subject property has not been adversely affected. The following guidelines apply to properties located in FEMA declared disaster areas for Individual Assistance, as identified by reviewing the FEMA website at www.fema.gov/disasters. In addition, when there is knowledge of an adverse event occurring near and around the subject property location, such as earthquakes, floods, tornadoes, or wildfires, additional due diligence must be used to determine if the disaster guidelines should be followed.

2.8.7.1 Appraisal Completed Prior to Disaster

An exterior inspection of the subject property, performed by the original appraiser, if possible, is required.

- The appraiser should provide a statement indicating if the subject property is free from any damage, is in the same condition as the previous inspection, and the marketability and value remain the same.
- Inspection Report must include new photographs of the subject property and street view, through one of the following:
  - FNMA Form 1004D, or
  - Post Disaster Inspection (PDI) Report, or
  - Property Inspection and Condition Report
- Any damage must be repaired and re-inspected prior to purchase.

2.8.7.2 Appraisal Completed After Disaster Event

- If the appraisal report indicates damage to the structure because of a FEMA Declared Disaster event, the structural damage must be repaired and a re-inspection completed prior to purchase by Verus

2.8.7.3 Disaster Event Occurs After Closing But Prior to Loan Purchase

A loan is ineligible for purchase until an inspection is obtained based on the following:

- A Post Disaster Inspection (PDI) Report or Property Inspection and Condition Report from a third-party vendor (i.e., Clear Capital, Stewart/Pro Teck) may be used.
- If subject property is free of damage, nothing further is required.
- Any indication of damage reflected in the report will require a re-inspection by the appraiser.
  - If a re-inspection is required, the appraiser may utilize FNMA Form 1004D and comment on the event and certify that there has been no change to the value.

2.8.7.4 Inspection Report Requirements

- The following reports may be used:
  - Post Disaster Inspection Report (PDI)
  - Property Inspection and Condition Report
- Inspection must be from a third-party vendor (e.g., Clear Capital, Stewart/Pro Teck)
- Exterior color photos of the subject property and street scene
  - Address verification to be included

- Details of the damage, if any, including cost to cure
  - Color photos of damage incurred as a result of the disaster
- If repairs are required, re-inspection of the subject property to evidence repairs were completed in a workmanlike manner

Any indication of damage reflected in the report will require the damage to be remediated prior to purchase.

2.8.8 CONDOMINIUMS

Fannie Mae® warrantable projects are eligible, subject to the following:

- Seller is responsible for reviewing and determining that the project is Fannie Mae® warrantable. A certification, similar to Condominium Project Warranty Certification must be provided with the loan package along with the Condo Questionnaire and any other documents used in the eligibility determination.
- Seller may utilize the Fannie Mae® Limited or Full Project Review Process to determine project eligibility.
- Loans secured by units in a condo project identified by Fannie Mae® as "Unavailable" or "Declined" by Condo Project Manager (CPM) are ineligible for the Prime Jumbo program.
- Non-warrantable projects are not eligible.
- All loans secured by condominium projects require a completed Homeowners Association (HOA) questionnaire.
- Any projects with significant deferred maintenance or have received a directive from a regulatory or inspection agency to mark repairs due to unsafe conditions are not eligible for purchase. Significant deferred maintenance includes deficiencies that meet one or more of the following criteria:
  - Full or partial evacuation of the building to complete repairs is required for more than seven days or an unknown period of time
  - The project has deficiencies, defects, substantial damage, or deferred maintenance that
    - is severe enough to affect the safety, soundness, structural integrity, or habitability of the improvements;
    - the improvements need substantial repairs and rehabilitation, including many major components; or
    - impedes the safe and sound functioning of one or more of the building's major structural or mechanical elements, including but not limited to the foundation, roof, load bearing structures, electrical system, HVAC, or plumbing.
  - Has critical repairs with one of the following characteristics:
    - Mold, water intrusions or potentially damaging leaks to the project's building(s); or
    - Unfunded repairs costing more than $10,000 per unit undertaken within the next 12-months (does not include repairs made by the unit owner or repairs funded through special assessment).
- Florida Condominiums:
  - For loans secured by a condominium unit in the state of Florida, if the project is over 30 years old (or 25 years if within 3 miles of the coast), a structural inspection is required for projects greater than 3 stories. The inspection needs to address items that substantially conform to the definition of a milestone inspection as defined in Florida statute 553.899.
    - Inspection must confirm there are no conditions severe enough to affect the safety, soundness, structural integrity, or habitability of the improvements
  - Projects with an unacceptable or no inspection are ineligible

- Projects consisting entirely of detached (site) units will not require a project review and are eligible for single-family dwelling LTV/CLTV.
- Two-to-four-unit condominium projects will not require a project review provided the following are met:
  - The project is not a condo hotel, houseboat, or timeshare or segmented-ownership project.
  - The priority of common expense assessments applies.
  - The standard insurance requirements apply.

Restrictions: The following criteria applies to any loan secured by a condominium:

- The maximum LTV/CLTV is the lower of 75% or the current matrix.
- Verus' project exposure maximum shall be $5,000,000 or 15% of the project total, whichever is lower.
- The borrower project/unit concentration limit: two (2) units.

2.8.8.1 General Project Criteria

- Project has been created and exists in full compliance with applicable local jurisdiction, State, and all other applicable laws and regulations.
- Project meets all Fannie Mae® insurance requirements for property, liability, and fidelity coverage.
- Borrower must carry HO-6 coverage for replacement of such items as flooring, wall covering, cabinets, fixtures, built-ins, and any improvements made to the unit.
- Seller must confirm that the project documents do not give a unit owner or any other party priority over the rights of the first mortgagee.

2.8.8.2 Ineligible Projects

- Any project not eligible for Fannie Mae®.
- A project subject to the rules and regulations of the US Securities and Exchange Commission.
- Condominium Hotel – Condotel
  - A condominium project in which any unit owner or the homeowners' association is a party to a revenue-sharing agreement with either the developer or another third-party entity.
  - A condominium project where the unit is not the lessee's residence.
  - Projects that are managed and operated as a hotel or motel, even though the units are individually owned.
  - Projects with names that include the words "hotel," "motel," "resort," or "lodge."
  - A project that includes registration services and offers rentals of units on a daily, weekly, or monthly basis.
  - Hotel or motel conversions (or conversions of other similar transient properties.)
- Resort type of project.
- Timeshare or projects that restrict the owner's ability to occupy the unit.
- A new condo conversion completed less than 2 years ago.
- Houseboat project.
- Manufactured home projects.
- Assisted living facilities or any project where the unit owner's contract includes a lifetime commitment from the facility to care for the unit owner regardless of future health or housing needs.

- Any project in which a single entity owns more than 25% of the total number of units. In projects that have 5-19 units, one owner can own a maximum of two units.
- Multi-family units where a single deed conveys ownership of more than one, or all of the units.
- A project in which more than 50% of the total square footage in the project, or in the building that the project is located in, is used for non-residential purposes.
- A common-interest apartment
  - A project in which individuals have an undivided interest in a residential apartment building and land and have the right of exclusive occupancy of a specific apartment unit in the building.
  - The project or building is often owned by several owners as tenants-in-common or by a homeowners' association.
- Fragmented or segmented ownership
  - Ownership is limited to a specific period on a recurring basis (i.e., timeshare).
- Any project where the developer (or its affiliates) owns the Common and/or Limited Elements and leases the elements back to the HOA.
- Any project that has non-conforming zoning (can't be rebuilt to current density).
- Project units sold with excessive Seller contributions that may affect the value of the subject property.
- Any project that requires Private Transfer Fees as a part of the transaction, and those fees do not benefit the association.
- Any project in litigation, arbitration, mediation, or other dispute regarding safety, soundness, or habitability.
- Any project with adverse environmental issue(s) involving safety, soundness, or habitability.
- Projects that are not well-managed or in poor physical or financial condition. This might include excessive special assessments, low reserves, or neglected repairs.
- Any project in need of critical repairs with one of the following characteristics:
  - Mold, water intrusions or potentially damaging leaks to the project's building(s); or
  - Unfunded repairs costing more than $10,000 per unit undertaken within the next 12-months (does not include repairs made by the unit owner or repairs funded through special assessment).
- Any project with significant deferred maintenance or has received a directive from a regulatory or inspection agency to mark repairs due to unsafe conditions.

2.8.9 LOAN EXCEPTIONS

Exceptions to published eligibility criteria may be considered on a case-by-case basis and may be subject to an additional review fee and price adjustment.

CHAPTER 3 - FORMS

ALLONGE – SAMPLE

ALLONGE

Loan Number: (as printed on the note) _____

Borrower(s): _____

Property Address: _____

Note/Loan Amount: $_____

Note/Loan Date: _____

Pay to the order of: _____ without recourse
(Leave blank)

Seller Company Name _____

Signature: _____
(Original signature required, facsimile signature not allowed)

Print Signer's Name: _____

Signer's Title: _____

APPRAISAL REVIEW GUIDE

VERUS MORTGAGE CAPITAL APPRAISAL REVIEW GUIDE

SUBJECT PROPERTY

1) Does the subject property address match the documentation in the file (loan application, purchase contract, etc.)? If yes, validate the address via the USPS address validator.
2) Is the owner of record consistent with the loan file documentation? If it's a refinance, the borrower should reflect as the owner. If it's a purchase, does the owner match the purchase contract?

CONTRACT

1) Did the appraiser review the sales contract? The appraiser must review the sales contract on all purchase transactions.
2) Does the information in this section agree with the information on the sales contract?

NEIGHBORHOOD AND SITE

1) Pay attention to situations which could adversely affect the subject values, such as rural properties, property values declining, over-supply, marketing time greater than six (6) months. The appraiser may need to comment on the reason(s) and its effect on the subject's value.
2) Is the subject's value within the neighborhood's price range? If no, the appraiser must comment on its effect on the marketability of the subject.
3) Is the present land use predominately residential and similar to the subject's use? Is the present land use stable? If no, the appraiser must comment on these conditions.
4) Is the subject zoned legal non-conforming, or illegal? If legal non-conforming, ensure the property can be rebuilt if destroyed.
5) Are there any negative comments regarding the site? If so, verify that the noted condition will not affect the marketability.
6) Is the subject located on a private road? If so, obtain a maintenance agreement.
7) Be aware of acreage and any possible guideline restrictions.

IMPROVEMENTS

1) Is there evidence of infestation, dampness, settlement in the foundation? If so, the appraiser must comment.
2) Are there any negative comments in the improvements section if the appraisal is not subject to repairs? If yes, the appraiser may need to comment further.
3) Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? If so, is the situation addressed?
4) Pay attention to any improvements/remodeling done in the past 1 - 5 years mentioned by the appraiser. What is their impact on the final value and/or any recent increase to value?

SALES COMPARISON APPROACH

1) Did the appraiser indicate a number of comparable properties currently listed and sold in the neighborhood? If no, request that from the appraiser.
2) Are comparable sales located within the subject's neighborhood based on location (urban, suburban, rural)? If no, ask the appraiser to comment.
3) Are the comparable sales dated within six (6) months? If no, the appraiser must address this.
4) Are the comparable sales similar to the subject in location, design, gross living area, room counts, age, condition, etc.? If not, the appraiser must explain why the comps chosen were used.
5) For condominiums, at least one comparable sale should be outside of the subject's complex.
6) Be aware of total adjustments exceeding 15% for net and 25% for gross adjustments as referenced in the Verus loan eligibility criteria.
7) Make sure that add-ons (garage/barn/pool/etc.) are addressed and any adjustments are not excessive.
8) Watch for ineligible condition(s) such as C5, C6 or Q6.

Complete an independent analysis of the information and documentation provided on the appraisal focusing on the four (4) items below.

1) Review photos of the subject. Does the subject appear to need repairs? If so, and the appraiser did not require repairs, the appraiser must comment on the observed issue and possibly provide the cost to cure.
2) Complete research via online tools such as Zillow, Google, etc., on the comparable sales. Compare exterior and interior photos of the comparable sales to the subject to ensure they are not superior.
3) Review the sales history and listings in the subject's immediate neighborhood with online tools such as Zillow, MLS, etc., to ensure the best sale comparable(s) were used by the appraiser.
4) Review the street map that identifies the subject location and location(s) of the sale comparable(s). Verify that the comps are not clustered together in a superior neighborhood, separated from the subject by man-made barriers such as major roads/highways, etc.

RECONCILIATION

1) Is the appraisal made "subject to completion, repair, or inspection? If yes, check the condition for the completion/repair/inspection.

COST APPROACH

1) Is the land-to-value ratio typical for the area? If the site value has been provided, ensure the land-to-value ratio is not too high for the subject's neighborhood.
2) Is the indicated value by cost approach in-line with the sales comparison approach? If no, the appraiser must address this.

ADDENDA

1) Are all required addenda attached to the appraisal, including a map, sketch, and photographs?
2) Watch for adverse comments on any of the addenda.
3) Are the correct appraisal form(s) used? For example, condominiums should use Form 1073. A small residential income property appraisal report (Form 1025) should contain a Form 1007 single family comparable rent schedule, etc.

AUTOMATIC PAYMENT AUTHORIZATION (ACH) FORM

Automatic Payment Authorization Form

❑ Yes, I would like to enroll in the free* monthly Automatic Payment Program

Name	Street Address	City, State, Zip Code
Daytime Phone Number	Evening Phone Number	
Mortgage Number		
Financial Institution Name	Financial Institution Phone No.	Financial Institution Address
Electronic ACH Routing Number	Account Number	☐ Checking ☐ Savings

Please specify the payment date most convenient for you, which must be within the applicable grace period. **If a payment date is not specified, or your loan is a daily simple interest loan, payments will be deducted on your current loan due date.**

Deduct my payment on the _____ of each month (select a date within the grace period indicated on your note).

I hereby authorize _____, including its successors and/or assigns, to initiate transfers from my checking or savings account at the financial institution indicated above for the purpose of making my monthly mortgage payment. I authorize the amount of each transfer to include my regularly scheduled payment including principal, interest, and escrow items I understand that, in accordance with the terms of my mortgage note and/or adjustments in my escrow for taxes and insurance, my payment may change from time to time as set forth in my loan documents. You are hereby authorized to change the amount of the draft from my checking or savings account, provided you notify me of the new payment amount at least 10 days prior to the draft date. I agree that the payment change notice provided to me under the Adjustable-Rate Mortgage Provisions of the Truth-in-Lending Act and/or escrow analysis form shall constitute notice of payment change as required by the Electronic Funds Transfer Act and Federal Reserve Board Regulation E.

The authorization is to remain in full force and effect until revoked in writing. Such revocation notification must be provided to the Initiating party no less than fifteen (15) business days prior to it taking effect. Please contact the Initiating Party immediately if you change financial institutions, change accounts within the same financial institution or if you wish to revoke this authorization.

I HEREBY AGREE TO THE TERMS AND CONDITIONS IN THIS FORM.

Borrower's Signature _____ Date _____

Co-Borrower's Signature _____ Date _____

BORROWER CONTACT CONSENT FORM

BORROWER CONTACT CONSENT FORM

To ensure we have the correct contact information for servicing your loan, please provide the following information.

By signing, I authorize my mortgage servicer, its transfers and/or assigns, to contact me regarding the servicing of my loan using the following contact information.

Mailing address for your mortgage statements and other correspondence:

_____Same as the subject property.

_____Please use this mailing address instead:

Address Line 1 _____

Address Line 2 _____

City/State/Zip _____ Country _____

Cell phone number:

I understand that by providing a cell phone number and by signing this form, I am giving the holder of my mortgage Note and its billing servicer permission to use the cell phone number to contact me regarding my loan.

	Within the United States	If you reside outside the United States
Borrower	(_____)_____-_____	(_____)_____
Co-Borrower	(_____)_____-_____	(_____)_____
	(Area code) phone number	(Country code) phone number

Email address:

I understand that by providing an email address, I am giving the holder of my mortgage Note and its billing servicer permission to use this email to contact me regarding my loan.

Borrower _____

Co-Borrower _____

Signature(s):

Borrower _____ Date _____

Co-Borrower _____ Date _____

CLOSED LOAN DELIVERY CHECKLIST

CLOSED LOAN DELIVERY CHECKLIST			
Verus Loan ID:		**Seller Loan ID:**	
Borrower Name(s):			
Property Address:			

	LEGAL
	Copy of Collateral Package: Bailee Letter (or Security Release Form if applicable), Note with Addendum(s), Allonge/Endorsement to Note, Unrecorded Assignment (if not MERS MOM), Security Instrument with Rider(s) including legal description, CEMA if applicable
	Final Title Policy if available
	Preliminary Title Report, Tax Cert, and 24-month Chain of Title
	Closing Protection Letter
	Survey if applicable
	Power of Attorney if applicable
	Trust Certification, Attorney's Opinion Letter, or Trust Agreement if applicable
	Vesting in LLC: Articles of Organization, Certificate of Good Standing, Operating Agreement, ownership structure, Tax Identification Number (EIN), Borrowing Certificate if applicable
	Vesting in Corporation: Articles of Incorporation and Amendments, By-Laws and Amendments, Certificate of Good Standing, Tax Identification Number (EIN), Borrowing/Corporate Resolution, current year franchise tax payment or clear search if applicable
	Vesting in Partnership: Partnership Certificate, Partnership Agreement, Certificate of Good Standing, Tax Identification Number (EIN), Limited Partner Consents if applicable
	Personal Guaranty if applicable
	Spousal Consent Form if applicable
	Original Loan Agreement if applicable
	Foreign National: Certificate of Acknowledgment from U.S. Embassy or Consular Official for notarization outside of U.S; or Notary is acceptable if country where signing is taking place is part of Hague Convention and signed docs are accompanied by an Apostille.
	Leasehold Agreement if applicable
	Subordination Agreement if applicable
	CREDIT
LOAN INFORMATION	
	Note Rate Lock between Client and Borrower(s)
	Loan Approval and/or Final 1008 as applicable (Uniform Underwriting Transmittal Summary or equivalent)
	Final Application (e.g., URLA, Business Purpose Loan application)
	Initial Application (e.g., URLA, Business Purpose Loan application)
	Identity Documents (State-Issued Identification, U.S. Passport, Permanent Resident Alien Card, VISA)
CREDIT	
	Fraud Report
	Tri-Merge Credit Report and Supplements
	Gap Credit Report/Undisclosed Debt Monitoring
	Verification of Mortgage and/or Rent
	Documentation to support omission of liabilities (e.g., debt paid by borrower's business)
	Documentation to support liabilities not listed on credit report (e.g., child support, alimony, solar panels, etc)
	Payoff Statement for subject (refinance)
	Other credit documentation not listed
ASSETS	
	Financial statements used for asset documentation
	3rd Party Verification of Deposit (FNMA Form 1006, Fannie Mae Day 1 Certainty Vendor)
	Verification of earnest money deposit
	Gift Letter, donor availability, proof of transfer
	Other asset documentation not listed
INCOME	
Full/Standard Doc	
	Verification of Employment: YTD paystub dated within 30 days of Note date, Verbal VOE, or E-mail exchange verification
	Most recent paystub(s) reflecting 30 days of income
	W-2s, or W-2 Transcripts (1 or 2 years)
	Tax Returns signed and dated, or Tax Return Transcripts (1 or 2 years)
	YTD Profit & Loss Statement
	Gap-Year Profit & Loss Statement if applicable
	Verification of Income from 3rd Party Vendor (e.g., The Work Number)
	Documentation to support other income
	4506-C

Alt Doc – Bank Statement	
	Personal bank statements (12- or 24- months) with most recent 2 months business bank statements
	Business or Co-Mingled bank Statements (12- or 24- months)
	Business Expense Statement Letter
	Profit & Loss Statement (12- or 24- months)
	Verification of current existence of the business and borrower's ownership interest percentage
Alt Doc – Profit & Loss Statement Only	
	Profit & Loss Statement (12- or 24- months)
	Documentation evidencing the P&L was prepared by Certified Public Accountant, IRS Enrolled Agent, CTEC, or Tax Attorney
	Letter from the preparer attesting they prepared the borrower's most recent tax return and verifying borrower's ownership interest
Alt Doc – IRS Form 1099	
	1099s (1 or 2 years)
	YTD earnings if applicable
Alt Doc – Written VOE	
	FNMA Form 1005 Verification of Employment
	Two months personal bank statements
	Internet search verifying existence of employer's business
Investor Solutions DSCR	
	Comparable Rent Schedule (or equivalent for DSCR 5-8 Residential and 2-8 Mixed Use)
	Lease agreement(s) if applicable
	Most recent 12-month rental history statement from 3rd party rental/management service if applicable
	Most recent 12-month bank statements from the borrower evidencing short-term rental deposits if applicable
	AIRDNA Rentalizer and Overview report if applicable
PROPERTY	
	Purchase Contract with Addendum(s) fully executed
	Appraisal
	Appraisal Transfer Letter
	Fannie Mae Collateral Underwriter (CU) or Freddie Mac Loan Collateral Advisor (LCA) Submission Summary Report (SSR)
	Enhanced Desk Review for 1-4 Residential (e.g., CDA from Clear Capital)
	Commercial BPO for 5-8 Residential and 2-8 Mixed Use
	1004D Final Inspection/Appraisal Update
	Post Disaster Inspection for FEMA Declared Disaster
	Condominium documentation including project review determination
	Flood Certificate (Life of Loan)
	Hazard Insurance Policy/Binder for all properties
	Commercial General Liability Insurance for 2-8 Mixed Use
	Flood Insurance Policy/Binder if applicable
	Other property documentation not listed
FOREIGN NATIONAL	
	Passport from country of origin
	OFAC verification
	3rd Party document with address that matches primary residence on application
	Foreign bank statements including translation and U.S. Dollar equivalency
	ACH – Automatic Payment Authorization
	Borrower Contact Consent Form
	Other Foreign National documentation not listed
DISCLOSURES/OTHER	
	Initial Loan Estimate
	Change of Circumstance
	Closing Disclosure (CD)
	Right of Rescission if applicable
	All Federal and State Disclosures
	Consent to Share Tax Returns
	Compliance Report (e.g., ComplianceEase, Mavent)
	Occupancy Certification
	Borrower Contact Consent Form
	Investor Solutions DSCR: Borrower Certification of Business Purpose
	Other (e.g., Letters of explanation)

COLLATERAL SHIPPING INSTRUCTIONS

Bailee or Security Release

When delivering original promissory notes, the Seller must provide either a Bailee Letter or a Security Release Form as follows:

Bailee Letter Requirements	○ Must accompany the original promissory note delivered to the custodian (see collateral shipping instructions in next section) • A bailment is only established if a bailee letter is delivered with the original promissory note ○ Does not require execution by Verus and/or custodian; original note delivery under a bailee is sufficient notification of the bailee arrangement ○ Allow 2 business days, following receipt, for custodian processing to make bailee letter available to Verus for wire account setup of the loan's purchase proceeds ○ Must sufficiently describe the subject loan(s) so Verus can identify the correct mortgage loan(s); should contain the following information: • Seller's name • Borrower name • Wire instructions • Note amount • Seller or Verus loan number
Security Release Form Requirements	○ Seller must be pre-approved for self-funding; if not, contact the Verus sales associate to initiate self-funding approval process ○ Submit a Security Release form, executed by an authorized signer of the Seller ○ Must be included in each applicable imaged file uploaded by seller to LMS Connect using document type 'Credit Package Document' ○ Must be delivered to Verus within 24 hours after loan delivery ○ Must sufficiently describe the subject loan(s) so Verus can identify the correct mortgage loan(s); should contain the following information: • Seller's name • Borrower name • Wire instructions • Note amount • Seller or Verus loan number

Initial Collateral Shipping

Custodian Mailing Address	**Computershare Trust Company, N.A.** **Attn: CMBS-INVC** **1055 10th Ave SE** **Minneapolis, MN 55414**
Custodian Stacking & Packaging Instructions	○ Place loan files in sequential loan number order inside shipping package/box. ○ Include a packing list/manifest, consisting of a list of the loans; if multiple boxes, specify the box number for each loan. ○ Mark the exterior of each box to identify its contents as follows: • INVC-Initial/Seller Name/ Box 1 of __, Ln # 100000– 100200. ○ Stack documents in the following order: • Bailee Letter (or self-assurance letter if applicable) (do not staple or clip to Note) • Original Note, with an original signature, fully executed • Original allonge, endorsing the Note from Your Company Name to Blank (See Guide Exhibit for Allonge Example) • If not a MERS MOM loan: ▫ Original Unrecorded Assignment from Seller to Blank • Original Executed Power of Attorney (if applicable) • Any other documents as may be applicable relevant to program, property, or business entity as borrower (Example: Loan Agreement, POA, etc.) ○ Place collateral documents in a pocket file folder (legal size); one folder per loan ○ Affix a label to the upper right-hand corner of each pocket-file folder reflecting: • Verus Loan ID • Seller Loan ID • Borrower Name

Newly originated loans (< than 120 days from note date):	○ The **copy of the unrecorded mortgage and title commitment are required to be eligible for loan sale/purchase settlement.** Deliver the preliminary documents to Verus, as follows: • Upload images to Verus Mortgage Capital via LMS Connect (delivery portal) using document type 'Credit Package Document'; AND ▫ Security Instrument (MERS MOM), with all riders & schedules, sent for recordation ▫ If not a MERS MOM loan, each original or copy of the recorded intervening assignment(s), evidencing a complete chain of title from Originator to Seller (if applicable) ▫ Title Commitment/Binder/Prelim Title ▫ Power of Attorney, or a copy of the original sent for recordation (if applicable) • Delivery of the recorded/final versions to the custodian is required within 180 days of loan sale/purchase settlement date. See Trailing Document Delivery instructions.
Seasoned loans (>= 120 days from note date):	○ The **recorded mortgage and final title policy are required to be eligible for loan sale/purchase settlement.** Deliver the final documents to Verus, as follows: • Upload images to Verus Mortgage Capital via LMS Connect (delivery portal) using document type 'Credit Package Document; AND ▫ Security Instrument (MERS MOM), with all riders & schedules with evidence of recording information ▫ Final title policy ▫ Power of attorney with evidence of recording information, if applicable

Contact the Verus collateral desk for additional assistance at: collateral@Verusmc.com

MERS Registration and Transfer of Servicing and Beneficial Rights	○ Provide screen shot of MIN Summary to evidence registration is in active status & ownership rights are held by seller. • Must be included in each applicable imaged file uploaded by seller to LMS Connect using document type 'Credit Package Document' • Must be delivered to Verus within 24 hours after loan delivery ○ Seller is responsible for initiating the MERS® Transfer of Rights to Verus, within 7 calendar days of loan sale/purchase settlement. ○ Initiate a TOS/TOB combo transaction to Verus, as follows: • Investor: 1013178 • Servicer: 1013178 *Note: Verus reserves the right to charge an administrative fee of $75.00 for any loan not transferred accurately within the required 7 calendar days.*

Contact the Verus MERS desk for additional assistance at: MERS@Verusmc.com

Final Document Delivery (for loans < 3 months seasoned at loan sale/purchase settlement)

Custodian Delivery Address	**Computershare Trust Company, N.A.** **Attn: CMBS-INVC** **1055 10th Ave SE** **Minneapolis, MN 55414**
Document Packaging	○ Include a cover sheet with seller and Verus Loan IDs for each final document; or use a manifest to identify each document and its corresponding seller and Verus loan IDs. If using a manifest, the documents must be stacked in the same order as represented on the manifest ○ Individual documents with multiple pages may be stapled or clipped together • Do **NOT** staple/clip multiple *documents* together ○ Mark the exterior of the package(s)/box(es) to identify its contents as follows: • INVC-Trailing/Seller Name/ Box 1 of __, Ln # 100000– 100200.

Contact the Verus collateral desk for additional assistance at: finaldocs@verusmc.com

CONDOMINIUM PROJECT QUESTIONNAIRE

CONDOMINIUM PROJECT QUESTIONNAIRE

Project Name:		**Date:**	
Project Street Address:		**HOA Taxpayer ID:**	
Unit Address:		**Loan Number:**	
HOA Representative:		**Lender Name:**	

In order to determine eligibility of your project, we ask for your assistance in completing this form. Any officer of the association/management may complete this form. It is imperative that each question is answered in full. Your cooperation will assure a smooth experience for both the borrower and the seller.

PART I – PROJECT INFORMATION

Please provide actual numbers and not percentages in the chart below:

Legal Phase # Previous and Future Phases	# of Units Per Phase	# of Buildings	# of Units Complete	# of Units for Sale	# of Units Sold or Under Contract	# of Owner Occupied and Secondary Homes	# of Investor Units
Note: If unable to provide number of second homes, provide number of off-site addresses:							

1. Please provide a breakdown of the total number of units in the Project below:

# of Owner Occupied Units _____ **# of Investor Units** _____ **# of Units Sold from Developer** _____

# of Secondary Home Units _____ **# of Units for Sale** _____ **# of Units in Entire Project** _____

2. Does the Project have any characteristics listed below? Please check all that apply: ☐ Yes ☐ No

☐ **Hotel/Motel Operations**	☐ **Maid Service**	☐ **Room Service**	☐ **Bellman**
☐ **On-Site Registration Desk**	☐ **Houseboat**	☐ **Key-Card Entry**	☐ **Mandatory Rental Pool**
☐ **Short Term/Daily Rentals**	☐ **Investment Security**	☐ **Cooperative**	☐ **Manufactured Housing**
☐ **Continuing Care Facility**	☐ **Live-Work Project**	☐ **Timeshare**	☐ **Multi Dwelling**

3. What year was the Project built or converted? _____
4. How many stories or floors does the Project have? _____
5. What is the maximum number of units allowed in the Project? _____
6. Are at least 90% of the total units sold and closed? ☐ Yes ☐ No
7. Are all units and common elements complete and not subject to any additional phasing and/or additions? ☐ Yes ☐ No

   If Yes - When was the Project completed? _____
8. If Project is not complete, is the subject legal phase, or any prior legal phases in which units have been offered for sale, substantially complete and has a Certificate of Occupancy been issued? ☐ Yes ☐ No

   If No - When will the phase be completed? _____

   Date subject phase completed? _____

   Date last phase was completed? _____

   What remains to be completed for project to be 100% complete? _____

9. Is the Project a conversion of an existing building within the last three years? ☐ Yes ☐ No

If Yes - What year was the Project original built? _____

What date was the conversion completed? _____

Was the conversion a gut rehab? Gut rehab refers to the renovation of a property down to the shell, with replacement of all HVAC and electronic components. ☐ Yes ☐ No

What was the original use of the building? _____

Note: If Project is a conversion completed less than four years ago, please submit a copy of the engineer/architect report, evidence of repairs completed, current Reserve Study (last 24 months) and evidence of working capital fund.

10. Is any part of the Project used for commercial space? ☐ Yes ☐ No

If Yes - What is the total square footage of the commercial space? _____

What is the total square footage of the building? _____

What floor(s) is the commercial space located on? _____

How is the commercial space currently used? _____

11. Is the Project part of a mixed-use building (contains both commercial and residential space not part of the association)? ☐ Yes ☐ No

If Yes - What is the total square footage of the commercial space? _____

What is the total square footage of the building? _____

What floor(s) is the commercial space located on? _____

How is the commercial space currently used? _____

12. Is the HOA or developer involved in any litigation and/or arbitration, including the project being placed in receivership, bankruptcy, deed-in-lieu of foreclosure or foreclosure? ☐ Yes ☐ No

If Yes - Please describe the details and provide documentation and attorney letter relating to the litigation. _____

13. Are there any pending or levied special assessments by the HOA? ☐ Yes ☐ No

If Yes - What is the total amount of assessment? _____

What is the assessment amount per unit? _____

What is the term of the assessment? _____

What is the current assessment balance? _____

Has work been completed? ☐ Yes ☐ No

Describe the nature of the assessment: _____

14. Does the association have any knowledge of any adverse environmental factors affecting the Project as a whole or any individual unit within the Project? ☐ Yes ☐ No

If Yes - Please provide an explanation: _____

15. Is there more than one association within the Project, covered by a Master or umbrella association? ☐ Yes ☐ No

If Yes - Master Association name: _____

Amenities and/or recreational facilities available through Master Association: _____

16. Are there any common amenities and/or recreational facilities available or to be built in the future? If yes, please provide type(s). ☐ Yes ☐ No

☐ **Pool** ☐ **Clubhouse** ☐ **Tennis Court** ☐ **Playground**

☐ **Other (describe):** _____

17. Are all common elements, amenities, and/or recreational facilities owned jointly by the unit owners/HOA (including any Master Association)? ☐ Yes ☐ No

If No - Please provide an explanation: _____

18. Does the HOA own all amenities and recreational facilities debt and lien free? ☐ Yes ☐ No
19. Do the unit owners in the Project have rights to the use of all common elements/amenities? ☐ Yes ☐ No
20. Does the HOA share any common amenities with other, unaffiliated projects? ☐ Yes ☐ No
21. Does the Project have any mandatory, upfront membership fees for the use of recreational amenities owned by an outside party? ☐ Yes ☐ No
22. Are any units in the Project with resale or deed restrictions? ☐ Yes ☐ No

If Yes - Please explain. Provide related agreements and number of units subject to restriction and unit numbers: _____

23. Are all units owned fee simple? ☐ Yes ☐ No
24. Are any of the units owned in a leasehold? If yes, please provide copies of leasehold documents. ☐ Yes ☐ No
25. Is the developer leasing or renting any of the units in the Project? ☐ Yes ☐ No

If Yes - Please provide number of units leased/rented by the developer. _____

26. Is the developer responsible for assessments on unsold units? ☐ Yes ☐ No
27. If a unit is taken over in foreclosure, will the mortgagee be liable for more than six months of unpaid dues? ☐ Yes ☐ No
28. How many units are over 60 days delinquent on HOA dues or assessments (including REO owned units)? _____
29. How many units are over 30 days delinquent (including units that are over 60 days delinquent) in payment of HOA dues or assessments (including REO owned units)? _____
30. Does any single entity (individual, investor, or corporation) own more than 10% of the units in the Project? ☐ Yes ☐ No
31. Are two members of the HOA Board required to sign all checks written from the reserve account? ☐ Yes ☐ No
32. Does the HOA maintain two separate bank accounts for the operating and reserve accounts? ☐ Yes ☐ No
33. Does at least 10% of annual budget provide for funding or replacement reserves, capital expenditures, deferred maintenance and insurance deductibles? ☐ Yes ☐ No
34. What is the current dollar balance of the reserve account? _____
35. Has any maintenance or engineering inspection report been completed in the past five (5) years? ☐ Yes ☐ No
    a) If Yes – Any significant deferred maintenance items identified? ☐ Yes ☐ No
        i) If Yes – Provide documentation/evidence that items have been addressed. (Attach Documents)
36. Has the HOA received a directive from a regulatory or inspection agency to mark repairs due to unsafe conditions? ☐ Yes ☐ No
37. Is the Project professionally managed? ☐ Yes ☐ No

If Yes - What is the length of the current management contract? _____

Does the management contract require a penalty for cancellation of at least 90 days? ☐ Yes ☐ No

38. Has the developer turned over Project control to the unit owners? ☐ Yes ☐ No

If Yes - When was it turned over? _____

If No - What is the anticipated date the Project will be turned over to the unit owners? _____

39. If/when the Project is turned over to the unit owners, does the developer retain any ownership in the Project besides unsold units? ☐ Yes ☐ No

If Yes - Please provide what is owned by the developer and how it is used: _____

_____

PART II – PREPARER INFORMATION

Name: _____ **Phone:** _____

Title: _____ **Email:** _____

When completed, by HOA representative, this form will be utilized to help determine financing eligibility of a unit within the Project. Completion of this form does not create legal liability on the part of the preparer.

The undersigned hereby certifies that the above information is true and correct to the best of the preparer's knowledge and is presented on behalf of the Homeowners Association for the Project listed.

Signature of HOA Representative: _____ **Date:** _____

CONDOMINIUM PROJECT WARRANTY CERTIFICATION

CONDOMINIUM PROJECT WARRANTY CERTIFICATION

Project Name: _____
Project Address: _____

Phase: _____
Borrower Name: _____
Subject Address: _____

Seller Name: _____

Loan Number: _____

This certification represents and warrants that the above condominium project meets all eligibility requirements for sale as required by Fannie Mae®.

The Seller representative certifies that they have completed a Full Condo Project review as outlined in the Fannie Mae guidelines section B4-2.2-02 Full Review, including review of all required documentation for the project type.

Project type: ☐ Established ☐ New ☐ 2-4 unit

Project Documents reviewed include:

- ☐ Condo Questionnaire
- ☐ Current annual HOA/Project Budget
- ☐ Current Balance Sheet
- ☐ Evidence of Project Insurance
- ☐ Project legal documents as required by Project type

Seller certifies that it has retained all supporting documentation used to complete the review for this Warranty Certification. The Seller Representative certifies that all appropriate documentation has been examined and that the Representative and Seller warrant that the project meets all requirements set forth in the Fannie Mae® guidelines for a Full Review.

_____
Signature of Seller Representative certifying

_____
Name of Seller Representative

_____
Title of Seller Representative

_____
Date of Certification:

NEW SERVICER REFERENCE GUIDE

SERVICING ITEM	SHELLPOINT MORTGAGE SERVICING	CORNERSTONE MORTGAGE SERVICING
Address for Borrower Payments:	Shellpoint Mortgage Servicing PO Box 650840 Dallas, TX 75265-0840	Cornerstone Servicing PO Box 660217 Dallas, TX 75266-0217
Address for Correspondence:	Shellpoint Mortgage Servicing PO Box 10826 Greenville, SC 29603-0826	Cornerstone Servicing Attn: Customer Care PO Box 4638 Englewood, CO 80155
Forwarding Trailing Payments or Escrow Funds by Mail:	Shellpoint Mortgage Servicing Attn: Cash Control 55 Beattie Place Suite 110, MS# 525 Greenville, SC 29601	Cornerstone Servicing Attn: Servicing Cash 10800 E Geddes Ave #200 Englewood, CO 80112
Address for Payoff Funds by Mail:	Shellpoint Mortgage Servicing Attn: Cash Control – Payoffs 55 Beattie Place Suite 110, MS# 525 Greenville, SC 29601	Cornerstone Servicing 10800 E Geddes Ave. Suite 100 Englewood, CO 80112
Customer Service Information:	Toll-free: 800-365-7107 Website: www.shellpointmtg.com Mon - Fri: 8:00 a.m. to 9:00 p.m. (ET) Saturday: 10:00 a.m. to 2:00 p.m. (ET)	Toll-Free: 866-505-0510 Website: www.cornerstoneservicing.com Mon - Fri: 6:00am - 6:00pm (MT) Saturday: 8:00am -12:00pm (MT)
Loss Payee Clause:	Shellpoint Mortgage Servicing Its Successors and/or Assigns ISAOA/ATIMA PO Box 7050 Troy, MI 48007-7050	Cornerstone Servicing ISAOA/ATIMA PO Box 961254 Fort Worth, TX 76161
Requests for VOM:	Send Borrower's authorization and Verification form by either email or fax: Email to: Loanservicing@newrez.com OR Fax to: 866-467-1184	Send borrower's authorization and verification form by email: Email to: Loaninfo@myloanservicer.com
Requests for Payoff Statements:	Consumer Loans: LoanServicing@newrez.com OR Fax to: 866-467-1184 Business Purpose Loans: CommercialPayoffs@newrez.com	All Loans: Loaninfo@myloanservicer.com
Send NSF Reimbursement Requests & Supporting Documentation to:	Email to: SMSPriorServicerNSFRequests@newrez.com	Email to: Servicingcash@houseloan.com
Forward Trailing Tax or Insurance Documents to:	Tax Documents: LoanServicing@newrez.com Insurance Documents: Insdocs@newrez.com	Tax Documents: ASeitz@cornerstoneservicing.com and Rmueller@cornerstoneservicing.com Insurance Documents: www.ihaveinsurance.com/cornerstoneservicing

SERVICING ITEM	SHELLPOINT MORTGAGE SERVICING	CORNERSTONE MORTGAGE SERVICING
Forward All Other Trailing Loan Documents to:	Send by secure email to: SMSloandocuments@newrez.com	Mail to: Cornerstone Servicing PO Box 4638 Englewood, CO 80155
MERS ORG ID	Transfer the Investor and Servicer rights via a TOB/TOS batch to the Verus ORG ID within 7 days of the sale to Verus. Verus ORG ID: 1013178	Transfer Investor and Servicer rights via TOB/TOS batch to the Verus ORG ID within 7 days of the sale to Verus. Verus ORG ID: 1013178
Tax Vendor Name and Vendor ID	CoreLogic 11680	CoreLogic 2853640
Wiring Instructions: Funds that need to be applied to the borrower's payment history **Wire Detail:**	Wire funds to this account that need to be applied to the borrower's payment history, items include: • Payments due to Verus • Curtailments due to Verus • Trailing escrow funds Name on Account: Mortgage CDA Bank name: Citibank, NA Bank address: 399 Park Ave, New York, NY 10043 Account #: 31354717 ABA #: 021000089 Ref: Your company name, loan number, borrower name Attn: Cash Control All wires must have loan-level detail in an Excel formatted spreadsheet. Email to: SMSwires@newrez.com	Wire funds to this account that need to be applied to the borrower's payment history, items include: Payments due to Verus Curtailments due to Verus Trailing escrow funds Name of Financial Institution – JP Morgan Chase 10 South Dearborn St, 34th Floor Chicago, IL 60603 ABA Transit Routing Number: 021000021 Account Number: 786031630 TIN Number: 76-0236067 Wire notification and loan-level detail in an excel file must be emailed to: ServicingCash@CornerstoneServicing.com InvestorServices@houseloan.com
Wiring Instructions: Pass Through Funds **Wire Detail:**	Wire funds to this account if the funds have already been credited or posted to the borrower's payment history, items include: • Payments due to Verus • Curtailments due to Verus • Escrow impounds that transferred • Funds for suspense, unapplied, and/or reserve balances that were transferred Name on Account: Funding Clearing Account Bank name: Citibank, NA Bank address: 399 Park Ave, New York, NY 10043 Account #: 31354469 ABA #: 021000089 Ref: Servicer / Transfer Date /Transfer ID Attn: T&I Funding All wires must have loan-level detail in an Excel formatted spreadsheet. Email to: e-gvl-funding@shellpointmtg.com	Wire funds to this account if the funds have already been credited or posted to the borrower's payment history, items include: Payments due to Verus Curtailments due to Verus Escrow impounds that transferred Funds for suspense, unapplied, and/or reserve balances that were transferred Bank name: JP Morgan Chase Bank address: 10 South Dearborn St., 34th FL Chicago, IL 60603 ABA Transit Routing Number: 021000021 Account Number: 786031630 TIN Number: 76-0236067 Wire notification and loan-level detail in an excel file must be emailed to: ServicingCash@CornerstoneServicing.com

NON-DELEGATED ELIGIBILITY REVIEW REPORT

ELIGIBILITY REVIEW

Loan Information

Loan Number:	Loan Type:	Recommendation: Approved with Conditions
Seller Loan Number	Loan Purpose	Recommendation Date:
Case Number:		
Loan Amount:	Doc Type:	Underwriter:
Rate:	Occupancy:	Product Code:
PITIA:	Cash Out:	Program:
Amortization Term:	LTV/CLTV/HCLTV	
Term:	DTI:	Lock Expiration
IO Term:	DSCR:	Qualifying Income: $
		Total Liabilities: $

Borrower

Borrower:	
FICO:	
Phone:	
Work:	

Assets

Total Assets: $	
Required Reserves $	
Max Cash to Close $:	

Orginator

Originator:	Contact:	Phone:

Property

Property:	Appraisal Type	Submission Number 0
	Appraised Value:	
	Purchase Price	
Property Type: Single Family		

Doc Expiration

Approval Exp Date:	Title Exp Date:	VOE Exp Date:
Credit Exp Date:	Soft Pull Exp. Date	10 Day Verbal Exp Date
Income Exp Date:	Condo Approval Exp	10 Day S/E Exp Date
Asset Exp Date:	Photo ID Exp Date:	Other Exp Date:
Appraisal Exp Date		

PRIOR TO DOC CONDITIONS

UNDERWRITER TO CLEAR	SIGNED OFF
1.	

This Purchase Eligibility Review Form ("Eligibility Form") is subject to the Mortgage Loan Purchase Agreement, as amended from time to time, between Purchaser and Seller (as those parties are defined therein.) The Eligibility Form represents the results of a credit review based exclusively on the materials submitted by the Seller to determine if the loan meets the applicable eligibility guidelines. Such credit review excludes a determination of whether the loan complies with applicable origination requirements. Purchaser reserves the right to modify or withdraw this Eligibility Form if any of the information contained in the materials provided by the Seller is or becomes inaccurate or incomplete, including any changes in the borrower's credit, employment or any other factor used to determine the borrower's ability to repay the loan.

The eligibility determination provided herein is not a decision or recommendation to extend or deny credit. The Seller is the party solely responsible for making any decision to extend or deny credit. The Seller acknowledges that it will comply with all applicable regulatory requirements, including the Home Mortgage Disclosure Act (HMDA) and the Equal Credit Opportunity Act (ECOA), in connection with its credit decision.

Any granted commitment to purchase the loan will be subject to the following conditions precedent to Purchaser's purchase of the loan: 1) the loan is closed in conformance with this Eligibility Form, including without limitation satisfying all conditions cited herein; 2) to the extent material conditions are cited in post-close diligence that are unrelated to Purchaser's review of the credit file, the Seller has cleared or remediated each condition to the satisfaction of Purchaser in its sole discretion; and 3) Purchaser has not determined, in its reasonable discretion, that any aspect of the credit file appears fraudulent.

OCCUPANCY CERTIFICATION

OCCUPANCY CERTIFICATION

Borrower _____

Co-Borrower(s) _____

Property Address _____

I/We the undersigned certify that:

_____ Primary Residence – I/we will occupy the Property as my/our principal residence within Sixty (60) days after the date of closing as stated in the Mortgage or Deed of Trust I/we executed. I/we will continue to occupy the Property as my/our principal residence for at least one year after the date of occupancy unless Seller otherwise agrees in writing.

_____ Second Home – I/we will occupy the Property as a second home (vacation, etc.) while maintaining a principal residence elsewhere.

_____ Investment Property – I/we will not occupy the Property as a principal resident or second home. I/we will not occupy the Property for more than 14 days in any calendar year. The Property is an investment to be held or rented rather than for household or personal use.

INVESTMENT PROPERTY ONLY (the following **must** be completed on an investment property loan)

_____ I/we understand that consumer protection laws applicable to consumer loans will not apply to this loan, including the Truth in Lending Act (15 U.S.C. § 1601 *et seq.*), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 *et seq.*), Gramm-Leach Bliley Act (15 U.S.C. §§ 6802-6809), Secure and Fair Enforcement Mortgage Licensing Act (12 U.S.C. § 5101 *et seq.*), and Homeowners Protection Act (12 U.S.C. § 4901 *et seq.*).

REFINANCE ONLY (the following **must** be completed on a refinance transaction)

_____ I/We the undersigned, certify that the property referenced above is **NOT** currently listed for sale or under contract to be listed for sale.

I/We understand that it is illegal to provide false information in an application for a mortgage loan. Mortgage fraud is punishable by up to thirty (30) years in federal prison or a fine of up to $1,000,000, or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.

I/We understand that failure to comply with the requirements in the Mortgage or Deed of Trust regarding occupancy of the property will entitle the Seller to exercise its remedies for breach of covenant under the Mortgage or Deed of Trust. Such remedies include, without limitation, requiring immediate payment in full of the remaining indebtedness under the Loan together with all other sums secured by the Mortgage or Deed of Trust, and exercise of power of sale or other applicable foreclosure remedies, to the extent permitted by the Mortgage or Deed of Trust.

Borrower	Date	Co-Borrower	Date
Co-Borrower	Date	Co-Borrower	Date

PRE-CLOSE SUBMISSION CHECKLIST - DELEGATED (12/06/2024)

PRIME JUMBO PRE-CLOSE SUBMISSION CHECKLIST

VERUS SELLER GUIDE SHOULD BE USED FOR ELIGIBILITY

- ☐ Copy of Loan Estimate
- ☐ Rate Lock Disclosure
- ☐ Application for all borrowers
  - Consumer Purpose: FNMA 1003 application
- ☐ FNMA 1008 and/or Seller U/W approval worksheet
- ☐ Credit Report
  - Credit explanation letters
- ☐ Fraud Report
- ☐ Verification of Mortgage/Rent
- ☐ Employment/Income Verification
  - Standard Documentation (12- or 24- months)
    - Paystubs
    - W-2 or W-2 Transcript
    - Tax Return or Tax Return Transcript
    - YTD Profit & Loss Statement
    - 4506-C
- ☐ Asset Verification
  - Account statements covering 60 days or VOD
  - Earnest Money Documentation (Purchases only)
  - Gift Letter and supporting documents
- ☐ Property
  - Appraisal Report
    - **1-4 Unit:** FNMA 1004, 1073, or 1025 (1007 if applicable)
  - Appraisal Review
    - **1-4 Unit:** CU®/LCA®Score or Enhanced Desk Review
  - Copy of Executed Purchase Agreement/Sales Contract
  - Preliminary Title Report, tax cert, 24- month chain of title
  - Condo Questionnaire
- ☐ Insurance
  - Hazard Insurance
  - Flood Insurance (if applicable)

PRE-CLOSE SUBMISSION CHECKLIST - NON-DELEGATED (12/06/2024)

PRIME JUMBO PRE-CLOSE SUBMISSION CHECKLIST

VERUS SELLER GUIDE SHOULD BE USED FOR ELIGIBILITY

- ☐ Copy of Loan Estimate
- ☐ Rate Lock Disclosure
- ☐ Application for all borrowers
  - Consumer Purpose: FNMA 1003 application
- ☐ FNMA 1008 and/or Seller U/W approval worksheet
- ☐ Credit Report
  - Credit explanation letters
- ☐ Fraud Report
- ☐ Verification of Mortgage/Rent
- ☐ Employment/Income Verification
  - Standard Documentation (12- or 24- months)
    - Paystubs
    - W-2 or W-2 Transcript
    - Tax Return or Tax Return Transcript
    - YTD Profit & Loss Statement
    - 4506-C
- ☐ Asset Verification
  - Account statements covering 60 days or VOD
  - Earnest Money Documentation (Purchases only)
  - Gift Letter and supporting documents
- ☐ Property
  - Appraisal Report
    - **1-4 Unit:** FNMA 1004, 1073, or 1025 (1007 if applicable)
  - Appraisal Review
    - **1-4 Unit:** CU®/LCA®Score or Enhanced Desk Review
  - Copy of Executed Purchase Agreement/Sales Contract
  - Preliminary Title Report, tax cert, 24- month chain of title
  - Condo Questionnaire
- ☐ Insurance
  - Hazard Insurance
  - Flood Insurance (if applicable)

SECURITY RELEASE FORM

SECURITY RELEASE FORM

Date: _____

Seller Name: _____

Seller Address: _____

_____ ("Seller") hereby acknowledges that it has exclusive right, title and interest in the mortgage loans referenced in Schedule A ("Mortgage Loans") attached hereto and that the Mortgage Loans or any interest therein have not been pledged or assigned to any financial institution or other party. Seller further acknowledges that the bank account designated below is the Seller's business bank account. Immediately upon Purchaser receiving confirmation of the payment of the purchase proceeds to the account designated below, the Seller hereby agrees that all right, title and interest in the Mortgage Loan shall be released to the Purchaser.

Wire Instructions: _____

Bank Name: _____

City State: _____

ABA #: _____

Account #: _____

Account Name: _____

_____
By (Signature)

_____
Name (Printed)

_____
Title

TAXPAYER CONSENT FORM

Consent to Share Tax Returns

Loan: _____

Borrower: _____

Date: _____

I understand, acknowledge, and agree that _____ ("Seller") and Other Loan Participants can obtain, use and share tax return information for purposes of (i) providing an offer; (ii) originating, maintaining, managing, monitoring, servicing, selling, insuring, and securitizing a loan; (iii) marketing; or (iv) as otherwise permitted by applicable laws, including state and federal privacy and data security laws. The Seller includes the Seller's affiliates, agents, service providers and any of aforementioned parties' successors and assigns. The Other Loan Participants includes any actual or potential owners of a loan resulting from your loan application, or acquirers of any beneficial or other interest in the loan, any mortgage insurer, guarantor, any servicers, or service providers for these parties and any of aforementioned parties' successors and assigns.

_____
Borrower

_____
Borrower

VERUS CONTACT FORM

VERUS CONTACT FORM	
Main Number:	202-534-1816
Hours of Operation:	8:30 am – 5:30 pm CT
LockDesk@verusmc.com	Registration, locking, and extension questions
EastTeam@verusmc.com	Credit and file questions
WestTeam@verusmc.com	Credit and file questions
SystemSupport@verusmc.com	New user, password reset, general system, or system navigational questions
Collateral@verusmc.com	Pre-funding collateral document questions
MERS@verusmc.com	MERS questions
FinalDocs@verusmc.com	Post-funding final document collateral questions
Nondelteam@verusmc.com	Non-Delegated Team - General or loan level questions
Postcloseconditions@verusmc.com	Flow closed loan diligence or funding questions
Purchaseauditorteam@verusmc.com	Bulk closed loan diligence or funding questions
Servicingtransfers@verusmc.com	Servicing transfer questions