

Correspondent Seller Guide

NorcomCorrespondent.com



A
Fresh
Approach To Lending

CORRESPONDENT SELLER GUIDE

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Forms: available on our website, www.NorcomCorrespondent.com, under “forms”



Section 1: INTRODUCTION TO CORRESPONDENT LENDING

The Correspondent Lending Division of Norcom Mortgage ["Norcom"] purchases closed loans from approved sellers. The Seller Guide sets forth detailed terms and conditions governing a seller's participation in Norcom's Correspondent Lending Program. The Seller Guide is available on our website, norcomcorrespondent.com. For additional information on how to access our website, contact your Account Manager or ask for assistance from anyone on the team about becoming an approved seller. The Seller Guide will be updated from time to time, with notification given to all approved lending partners via the Norcom website.

An approved seller is any Lender that has been approved by Norcom, where the closing documents are in the name of the seller and prepared by the seller, and the seller uses their own funds/warehouse line to fund the loan.

- If non-delegated, Norcom re-underwrites and performs due diligence prior to authorizing the loan to close.
- Seller prepares the closing package and generates all documents in the seller's name. The loan is always closed in Seller's name.
- Seller funds the loan at closing using their funds/warehouse line.
- Seller delivers closing package to Norcom within 10 days of the file closing.
- Norcom performs a full Quality Control review prior to purchase.
- Norcom requires sellers to be in compliance with all applicable state and federal laws and regulations.

1.1 Reps and Warrants

Correspondent warrants, by sale of a loan to Norcom, that each loan submitted is in compliance with and meets the minimum requirement of the investor, FHLMC, FNMA, FHA, VA, USDA.

Correspondent warrants that each Loan File contains an underwriter approval signed by an underwriter. All underwriters must have and be approved at a lending authority level that equals or exceeds the loan amount, and program requirements.

Correspondent warrants that the loan was originated and closed in full compliance with all federal, state, municipal and regulatory requirements; meets all guidelines and requirements

outlined in this Norcom Seller Guide; satisfies all conditions of underwriting approval and has been delivered in accordance with the standards and requirements stated in this Norcom Correspondent Seller Guide.

Each Seller acknowledges that they are responsible to ensure that for each loan sold to Norcom Mortgage, Norcom is in first lien position and there are no issues on the loan that would supersede Norcom's (or assignee's) first lien position.

All warranties apply when each loan is delivered to and purchased by Norcom Mortgage. After a loan has gone through an audit or quality control review, it is still within the sole discretion of Norcom Mortgage to require specific indemnification, repurchase or other remedy if a breach is discovered at a later date and to withhold any servicing release premiums or other amounts payable if it determines that the Correspondent may not be able or willing to fulfill such obligations.

Seller acknowledges that Norcom Mortgage reserves the right to contact the Correspondent after Norcom Mortgage purchases the loan to reconcile such discrepancies as taxes, private mortgage insurance or related issues that are normally discovered as the result of yearly escrow analysis.

1.2 Types of Correspondents:

Norcom Mortgage offers three options to their correspondents: delegated, non-delegated, and mini Correspondent.

Non- Delegated Lender

Correspondent will submit fully underwritten loans that are ready to close to Norcom. Norcom will re-underwrite and perform due diligence on every file. Correspondent will receive the Disposition Form with the conditions to clear. Once all conditions have been cleared, they will be notified that they are clear to close the loan.

Correspondent agrees to provide any and all closing conditions listed on the Disposition Form and include them in the closed Loan File submitted to Norcom for purchase. Correspondent is responsible for clear title to the property. Norcom does not review title or legal issues prior to close.

Delegated Lender

To be approved as a Delegated Lender, the Correspondent will follow the Non-Delegated process. Once the Correspondent has submitted a minimum of 6-10 loans with no deficiencies, they are eligible to become a delegated lender. This channel allows the Correspondent to become approved to close the loan without first submitting the loan to Norcom for an underwriting review. Correspondent is required to perform a "Fraud check" on their loans and provide the report with every closed loan.

Mini Correspondent:

This channel is for broker to banker transition clients.

Mini correspondent follows non-delegated process in that Norcom will underwrite the loan, and provide the Emerging Correspondent with a loan disposition form, and once all conditions are cleared will provide a 'clear to close'. Mini Correspondent closes the loan in their name.

1.3 MERS

All Correspondents must be MERS approved to be an approved Seller. Norcom's MERS Organization ID for the TOB/TOS transfer is 1004985.

1.4 Funding Fee

- Norcom's funding fee is \$595 for Non-Delegated
- For delegated files: \$395.
- For mini correspondent: \$795

1.5 Required Documents:

Norcom requires the Seller provide a 4506T and SSA-89 signed at closing on all loans.

Based on QM, Norcom requires the following to be included in every loan: 1) Income and Debt Worksheet and 2) Fee Details form. *[Samples are on the website.]*

When the legal and mailing address are not the same for the subject property an Address Affidavit is required from the Attorney. Norcom will also validate consistency of the property address throughout the loan file. If this is a Conventional loan, the property address on all credit documents, including the final 1003, must reflect the mailing address. However the Note, Mortgage, and legal documents must reflect the Legal Address.

1.6 Contact Information:

Once you are an approved Seller, contact your Account Representative for access to the secure portal and pricing engine, located on the Norcom Correspondent website located at: www.norcomcorrespondenttpo.com.

The Correspondent website will provide you with all the resources you need to aid you through each step of the home loan process.

The website includes access to contact information to Norcom's teams, access to the rate lock system, product underwriting guidelines; forms, and Norcom News.

1.7 Rate Lock and Commitment Term

1. Rate Lock Commitments will be issued as best effort.

2. Rate Lock Commitments must be done through the pricing engine, which can be accessed through the online portal at www.norcomcorrespondenttpo.com. Loans must be registered [upload a 3.2 file to the portal] PRIOR to locking.
3. All lock requests must be submitted by 7:00pm (EST). Norcom does not offer overnight protection. Norcom will issue a rate lock confirmation within 24 hours. It is the Correspondent's responsibility to notify secondary if confirmation is not received within 24 hours.
4. Rate Lock Commitment periods are 30, 45, 60 and 75 days.
5. Norcom Mortgage must receive complete funding documentation within 10 days of the file closing. [Emerging Correspondents must submit within 5 days of file closing].
6. If the initial delivery expiration date falls on a Saturday, Sunday or a Holiday it will automatically be extended to the next business day.
7. **The Loan File must deliver and fund by the Rate Lock Commitment expiration date.** Loans with documentation deficiencies which prevent funding will be put in suspense. Correspondents must clear these suspense items before the expiration date or they will be subject to an extension cost.
8. Extension requests must be received by Secondary by 5:00pm (EST) on or before the expiration date.
9. Extensions can be allowed one time for a maximum of 15 days. If more than 15 days is needed, worst case pricing applies.
10. Extension fee for 7 days is .125, for 15 days is .25
11. Rate locks that have expired are eligible to lock at worst case pricing for 15 days, and are subject to a .25 relock fee.

NORCOM'S FLOAT DOWN POLICY

- A float down option is offered on eligible locks where the interest rate can be decreased by .125% or more. To calculate, use the current rate sheet 15-day price of the lower note rate for the same product as the existing lock and subtract 62.5 bps.
- All in price cannot be better than original all in lock price.
- Loan must be in UW Approved status.
- Renegotiated terms are not eligible for extensions. If a lock expires or the loan does not fund within 15 days, the loan will be re-locked at worse case pricing of the original lock price and current market.

- Lock cannot be expired.
- ARMS, Non-Conforming Jumbo's and specialty products are ineligible.
- Float down price will include extension costs previously accrued.
- New lock expiration date will be recalculated based on a 15 day lock from date of float down or using current lock expiration, whichever is less.

Cooling Period: To avoid worst case pricing, Correspondent can relock however they must wait until after 30 days from the Rate Lock Expiration date to obtain current pricing.

1.8 Business Day

Norcom's definition of Business Day for auditing compliance:

- Norcom considers business days to be Monday through Friday with the exception of federally mandated holidays on which the Federal Reserve is closed and/or any day for which Norcom is closed for business.
- Norcom will permit Saturdays to be used as a Right of Rescission day [or a "notice" day for RESPA].
- Sundays may never be used as a business day.
- Loans may not be closed on a Saturday, Sunday or any federally mandated holiday.

Section 2: SUBMISSION PROCESS

Files are submitted electronically through Norcom's website, norcomcorrespondenttpo.com. The submission process is based on the Correspondent type.

2.1 Non-Delegated and Mini Correspondent: Loans submitted to Norcom prior to closing:

Norcom will re-underwrite the complete file submission and provide a compliance review. A complete file submission is defined as a loan that has been approved by the Correspondent underwriter and all conditions are cleared. The file should be ready to be closed by the Seller.

Underwriter will review *the complete file* documents including, but not limited to, the following:

- DU/ LP findings and 1008
- Income/Debt worksheet
- Loan application 1003
- Credit report [Note: credit reports over 90 days should have a 'soft pull' prior to closing]
- Income
- Assets
- Appraisal Report and SSR, if conventional.

- Insurance
- Title Commitment/ all legal docs
- Excluded Parties List System (EPLS & SAM) on all parties to transaction.
- Flood Certification
- Social Security Number (SSN) identity verification
- **All applicable Federal, State, and Investor required disclosures.**

The Norcom underwriter will provide a Disposition Form listing any conditions that are required by Norcom prior to closing the loan. If there are any prior to closing conditions, the seller must upload these to Norcom via the Correspondent Portal and obtain an authorization to close.

Once the loan closes you can now follow the Delegated Submission Process noted below.

IMPORTANT: If there are any changes to the loan after Norcom issued the Clear to Close but before the actual closing date; communicate this information to your Correspondent Account Manager as soon as possible to avoid delays in the review process.

2.2 Delegated:

Files must be submitted electronically through Norcom’s online portal [norcomcorrespondenttpo.com].

Original notes, and if FHA, the FHA original docs listed in “Special Requirements”, should be sent via Federal Express to Norcom’s office at 38 Security Drive, Avon, CT 06001, **Attn: Correspondent Lending.**

It is critical that delivered files are complete. The definition of a full file is one that contains all credit and closing documents as required to meet audit requirements of all Federal and State agencies in addition to but not limited to FNMA, FHLMC, GNMA, VA, HUD, and USDA.

Refer to Chapters 3 and 4 for information on the Closing requirements and Closing Documents that are required by Norcom before you submit your loan package. The “Closed Loan Document Checklist” provides a general list of required documents and the order that they should be submitted. The checklist is located on the Correspondent website under “Forms”.

To avoid delays, ensure the following are included:

- 1) Adobe version of the color appraisal and xml, if conventional
- 2) Tax Record of Account for 2 yrs.
- 3) Fraud reports from your applicable “fraud check system”

Priority in the loan review and funding process is given to complete, correct and well-organized files. Missing documents and errors will prevent prompt purchase/funding of the loans, which may result in the assessment of Market Loss Charges.

Once the file has been received in the Correspondent Department, it is submitted to the Quality Control Department for a full review.

2.3 Norcom Quality Control Review Process

Upon receipt of the uploaded package, the Correspondent Auditor will review the complete loan package to ensure compliance. Norcom employs not only “manual” reviews on loans submitted for purchase but does take advantage of current electronic applications that validate loan information. Information re-validated includes, but is not limited to the following:

- Social security using the **SSA-89 signed at closing.**
- OFAC/SAM/EPS
- Fraud detection applications
- Review the income/debt worksheet and the Fee detail form for compliance with QM requirements.
- All Loans underwritten using LP or DU that are sold to Norcom must fully comply with all requirements of LP and/or DU respectively. All data utilized in the LP and DU findings is true, complete and accurate and matches the underwriting information in the closed Loan File to be submitted to Norcom for purchase and the terms of the Loan. If Correspondent cannot explain or correct to Norcom’s satisfaction any data inconsistencies, Norcom may refuse to purchase the Loan, or if purchased by Norcom, Norcom may require Correspondent to repurchase such Loan
- Re-validation of property value
- Income validation through request for Tax Transcripts and other available applications using the **4506T signed at closing.**
- FHLMC exclusionary list check for all the parties to the loan transaction.
- MERS registration

Note: Norcom’s use of other methods of information re-validation does not relieve the Correspondent from any obligations relating to the loan, including but not limited to compliance with all Representations and Warranties to Norcom.

Norcom will upload the Pre-Purchase Disposition Form with a list of any pre-purchase conditions to the Correspondent Portal. The Correspondent must provide all conditions/defects prior to purchase. Loans will not be funded/purchased until all Conditions listed on the Disposition Form have been resolved to the satisfaction of Norcom. To facilitate the review process, please send all outstanding conditions together. If you have any questions on the conditions, please contact your Account Manager.

Important: Norcom reserves the right to refuse purchase or request repurchase based on the complete quality review and compliance review of any loan delivered for purchase, this includes all types of Correspondents.

Once all conditions have been cleared, the loan is ready for funding/Purchase.

2.4 Purchase/Funding Process:

The QC reviewer will create the Purchase Advice based on the loan information as of the date the loan will fund. If a loan payment is due per the Note, a payment history will be required prior to issuing the Purchase Advice. See Section 4.12 for further information.

The Purchase Advice will be available in the online portal for the Correspondent to review and approve.

The Correspondent must approve or not approve the Purchase Advice by emailing their Account Manager or the VP Correspondent so the wire can be ordered. The cutoff time to order the wire is 2:00 pm eastern time. If the Correspondent does not receive the wire by 4:00 that day, they are responsible to notify Norcom no later than 10:00 am the following business day so that Norcom can locate the funds.

Section 3: CLOSING REQUIREMENTS:

3.1 SETTLEMENT AGENT/TITLE INSURER REQUIREMENTS

Settlement Agent

All settlement closing agents for loans sold to Norcom must be insured by an acceptable title insurance company.

Title Insurance

Title insurance policies must meet the requirements of Fannie Mae, Freddie Mac, Ginnie Mae and Norcom and its assigns. Each policy must be for the complete subject property, utilizing the proper legal description.

Each Seller is responsible to ensure that for each loan sold to Norcom, Norcom is in first lien position and there are no issues on the loan that would supersede Norcom's (or assignee's) first lien position. This includes any state regulations where a HOA or any other entity may be awarded first lien position under any circumstances.

Loans sold where resulting situations interfere with Norcom's (or assignee's) first lien position are subject to repurchase over the life of the loan.

3.2 WAREHOUSE LINE:

Seller will be required to fund the loan using their warehouse line and/or funds if regulated by a bank or credit union. Collateral should be sent to Seller's Warehouse Bank according to the specific Warehouse Bank Agreement.

Section 4: CLOSING DOCUMENTS:

Norcom's requirements are the same as FNMA/FHLMC/GNMA secondary market standards, and all closed loans must comply with all applicable federal and state regulatory requirements and all other mortgage lending regulations.

Documents will be drawn by Seller or seller's attorney. *Norcom does not provide closing Documents.*

Norcom will allow mail away closings, however all documents must be signed at or prior to the closing date. No documents can be signed after this date.

Sellers will submit the full closed loan package including, but not limited to, all documents listed on the Sellers "Closed Loan Delivery Checklist" found under the Forms section on norcomcorrespondenttpo.com. This checklist will provide specific stacking instructions and documents required.

This list is a general list of the basic required documents per Federal, State, and Agency guidelines. Norcom will require all documents as would be required for a full audit by any Federal, State, or Agency.

Document Vendors that have Norcom set up as an investor include, but may not be limited to, the following:

DocMagic	MRG
DocuTech	IDS

4.1 Allonge/Endorsement Language:

For Conforming Files: Notes endorsed to the following:

Pay to the order of
Norwich Commercial Group, Inc. d/b/a Norcom Mortgage
Without Recourse

Signed by the authorizing officer with title

Only in cases where there is not additional room on the Note to place the endorsement, can an Allonge be used. The Note must make reference to the allonge and the allonge must make reference to the Note.

For Government Files:

Allonges should be used on all Government loans. SAMPLE Allonge can be found on the NorcomCorrespondent.com website, under “forms”.

4.2 Evidence of appraisal delivery/receipt

Norcom requires documentation that Seller’s appraisal process and appraisal reports for all loans are in full compliance with rules and regulations. This includes the approach to appraiser selection and engagement.

Seller must provide confirmation of delivery of the appraisals to the borrower.

4.3 Regulatory and Disclosure Requirements

- GSE, HUD and Dodd-Frank Act Appraisal Independence Requirements
- Evidence of Net Tangible Benefit to Borrower
- State specific high-cost regulations.

4.4 Truth in Lending {TIL}:

- Seller must provide evidence of truth in lending delivery to the borrower{s}.
- Itemization of Finance charges is required
- Disclosure of the finance charges may not be understated from actual finance charge by more than the following: Purchase \$100.00 and Refinance \$35.00.

4.5 Special Requirements -- Government Loans

- Include acceptable documentation that validates the Up-Front mortgage insurance premium is paid in full. (UFMIP)
- HUD required original documents must be delivered to Norcom overnight: 92900B and Amendatory Clause.

4.6 Closing Disclosure

The Correspondent is responsible for ensuring that the Closing Disclosure for all loans sold to Norcom comply with all existing and subsequently enacted RESPA requirements and guidelines.

A copy of the **Final and Preliminary CD**, is required in each loan delivered for purchase to Norcom.

4.7 Seller Credits

All seller credits must match the amount listed on the Purchase and Sales Contract signed by all parties to the transaction and meet investor guidelines.

All seller credits must be itemized on the CD.

4.8 POC Items

Norcom requires documentation (evidence) of payment for all items listed Paid Outside of Closing (POC) on the CD. Evidence may include

- receipt from the vendor or
- A copy of the cancelled check evidencing payment to the vendor

4.9 Title Commitment

- Norcom Mortgage requires a complete, signed title commitment to be included in every closed loan package.
- The preliminary title policy or title commitment must be no older than 60 days at Note Date or 180 days for new construction. The preliminary report should contain the following:
 - Effective Date
 - Vesting must match the Security Instrument
 - Land Ownership
 - Exceptions to Title Policy
 - Coverage amount must at least be equal to the loan amount
- Name of insured must be originating Lender.
 - The Correspondent Lender must confirm and document in the loan file that the property seller or borrower (on a refinance) is the owner of the subject property. This can be documented by providing a copy of a recorded deed or mortgage, a recent property tax bill or tax assessment notice, a title report, a title commitment or binder, or a property sale history report. The assignment (or sale) of a contract, sale and/or "back-to-back," "simultaneous," or "double" transaction closings (or double escrows) are not acceptable to Norcom Mortgage.
- The property seller or borrower (on a refinance) must be the owner and on title at the time of the initial loan application. A transfer of title ownership any time after the initial loan application and prior to the closing is not acceptable.
- The borrower(s) may not be affiliated in any way with the property builder, developer or seller on second homes and investment property transactions.
- Conventional loans require a 12-month chain of title from the effective date of the title commitment including new construction or construction to perm loans
- The Chain of Title documentation provided within the commitment must include the dates of transfer, the transferor, and transferee. Verbiage such as "12 month chain of title clear" or "there have been no documents conveying the land in the past 12 to 24 months" are not acceptable. If necessary, a copy of the Warranty Deed is acceptable to meet the chain of title requirement.
- Chain of title requirements include:
 - A chain of title for any given property must go back to the last title transfer from the effective date listed on Schedule A.
 - A POA is needed when a Relocation company is selling on behalf of the borrower
 - The last deed of record is needed if chain is not "completed" by the transfer(s) in the last 12 (12) months.

- Owner of Public Record or previous ownership must be verified consistently between documents in file. Comparison of ownership between Title Commitment, Appraisal, HUD 1 and Land Sales Contract must match **exactly**.

4.10 Initial Escrow Disclosure

- An Initial Escrow Account Disclosure (required by RESPA) complete with an itemization of the estimated taxes, insurance premiums and other charges reasonably anticipated to be paid from the borrower's escrow account during the first 12 months of the loan and executed by the borrower(s) must be included in the closed loan package.
- The beginning balance on the Initial Escrow Account Statement must equal the balance on the CD minus any aggregate adjustment.

4.11 Subordinate Financing

Loans that have subordinate financing must include the following: 1) Copy of the subordinate note; 2) Copy of the subordination agreement.

4.12 Pay History

Norcom Mortgage requires a current pay history on all loans where one or more payments have come due at the time of loan purchase or where a principal reduction was made at closing.

The history must indicate the date upon which payments were made, the amount of the payments, any curtailments, the current principal and escrow balance and any escrow disbursements made.

If any payments have been 30 or more days delinquent, the loan is ineligible for purchase.

4.13 TRID Guidelines

Following are Norcom’s guidelines for compliance with the Consumer Financial Protection Bureau’s (CFPB’s) TILA-RESPA Integrated Disclosure (TRID) Rule:

Document	Question	Answer
Loan Estimate	Will Norcom require the Loan Estimate to be signed?	Yes, Norcom will expect to see an e-signed Loan Estimate (LE) for electronic disclosures, a wet signed LE for in-person disclosures and a proof of mail receipt and later signed LE (at or before closing is acceptable) for US Mail disclosures.
Loan Estimate	Will Norcom require a Revised Loan Estimate for rate lock?	Yes, for any loan not locked at or before initial application, Norcom will require a

		Revised Loan Estimate disclosed and signed by the consumer.
Loan Estimate	Will Norcom require a Changed Circumstance for any Revised Loan Estimate including at rate lock?	Yes, Revised Loan Estimates require an explanation in the form of a Changed Circumstance documented for the loan file including at rate lock.
Loan Estimate	Will Norcom allow the collection of fees other than the credit report fee prior to disclosure of the LE?	No. Norcom will not allow any fee other than the credit report fee to be charged prior to the disclosure of the LE.
Loan Estimate	Will Norcom allow our lenders to accept LE's disclosed by the mortgage broker directly and accepted by the lender?	Yes, Norcom will review loans for purchase from our lenders if the originating company provided the LE so long as the lender assumed the responsibility for the loan and LE upon accepting and closing the loan application. <i>Please note: Norcom strongly suggests checking with your legal counsel on the liability and risk associated with the application date and required LE disclosure for TPO.</i>
Intent to Proceed	Will Norcom require a documented Intent to Proceed?	Yes, Norcom will require some record of the consumer's affirmative Intent to Proceed.
Written List of Settlement Providers and CFPB "Your Home Loan Toolkit"	Will Norcom require proof of delivery of the Written List of Settlement Providers and CFPB "Your Home Loan Toolkit" within 3 days of an application?	Yes, both documents are required to be issued with the LE under TRID and Norcom will require proof of compliance.
Closing Disclosure	Will Norcom require a signature on the Closing Disclosure (CD)?	Yes, Norcom will expect to see an e-signed CD for electronic disclosures, a wet signed CD for in-person disclosures and a proof of mail receipt and later signed CD (at or before closing is acceptable) for US Mail disclosures.
Closing Disclosure	Will Norcom require a signed Final CD from the day of closing?	Yes, the Revised CD presented at closing must be signed and included in the loan file.
Closing Disclosure	Will Norcom require the settlement agent or attorney to sign the CD?	No, there is no regulatory requirement for settlement agents to sign the CD.
Closing Disclosure	Will Norcom require the lender to prepare and disclose the Seller's Disclosure?	While Norcom will not require the lender to prepare and disclose the Seller's Disclosure (SD), if a SD is prepared by the settlement agent and included in the loan file, we will require it to be included in your submission.
Closing Disclosure	Will Norcom accept additional lender credits to be added at or before closing in order to cover specific fees or closing costs?	Norcom will accept loan submissions with a Revised CD including increased lender credits from the Initial CD. <i>NOTE: that all changes occurring after consummation must be submitted to Norcom with the loan file or immediately upon notice of said change.</i>
Closing Disclosure	Will Norcom allow submission of a Revised CD after closing?	Yes, Norcom will allow loan files where the CD was updated or revised after consummation assuming all refunds or

		corrections have been made within the proper timeframes.
Closing Disclosure	Will Norcom allow a lender or settlement agent to utilize a disbursement summary such as the model created for industry by the American Land Title Association (ALTA)?	Yes, Norcom is not prohibiting the use of additional documents by the lender but would require those documents to be included in any loan file submission.
Loan Estimate and Closing Disclosure	Will Norcom accept a loan submission without the LE or CD with an application date after October 3, 2015 (for example, a non-owner occupied rental property)?	No, Norcom requires all loans proposed for sale to be compliant with TRID.
Written List of Settlement Providers	Will Norcom require lenders utilize a so-called "closed list" of settlement providers or to require ALTA Best Practices compliance from all settlement providers?	Not at this time. Norcom will require each lender to attest and certify their compliance with TRID regulations and CFPB guidance that critical vendors such as settlement providers be vetted for qualifications and ability to comply with the law.

Section 5: NORCOM POST PURCHASE GUIDE

5.1 Recourse Process

If Norcom Mortgage determines that a purchased loan contains deficiencies that may require some type of Correspondent action, the Correspondent will be issued a written notice which will:

- Identify the deficiencies; and allow the Correspondent 15 days to cure the deficiencies, or provide a written explanation for its position acceptable to Norcom.
- Failure to provide a cure in response to the notice may result in the Correspondent's being required to provide specific indemnification, a repurchase or other remedy as determined by Norcom Mortgage.

5.2 Reconciliation of Post Purchase Errors

Following loan purchase, the Correspondent should carefully review the Purchase Advice to ensure accuracy in the discount, buy price, unpaid principal balance, loan amount, escrow account balance, fees, etc. Discrepancies must be reported to Norcom Mortgage within 60 days from the date of purchase by, using the Research Request Form.

Deficiencies that are identified by the Correspondent that are not reported within the 60-day time period are forfeited.

Norcom Mortgage reserves the right to contact the Correspondent after Norcom Mortgage purchases the loan to reconcile such discrepancies as taxes, private mortgage insurance or related

issues that are normally discovered as the result of yearly escrow analysis.

Errors may occur during the purchase process causing monetary overages and/or shortages. Sources of errors include, but are not limited to, the following:

5.3 Document Deficiencies

Norcom Mortgage requires all final document deficiencies be corrected and returned within 30 days after initial notice. Any documents requiring re-recording will be returned to the lender for correction. If the deficiency is not returned within the first 30 days a status must be provided to the Final Docs Dept. after that 30 days due to age.

5.4 Penalties

Norcom Mortgage reserves the right to charge penalties for late final documents. Correspondents will be charged \$35 each month for each loan with final documents outstanding for more than 9 months. Norcom Mortgage also reserves the right to obtain Late final documents or final documents it believes will not be delivered either by the Correspondent itself or through a third party vendor and to charge the Correspondent for all costs associated therewith.

- Misinterpretation of information in the loan file;
- Missing documentation, such as payment histories or revised HUDs;
- Escrow item disbursements made by the correspondent due after the date of purchase by Farmington Bank;
- Miscalculations at closing related to the collection of escrow;
- Policy exceptions without proper documentation;
- Nonpayment of taxes and tax penalties that were due and payable within 30 days of loan purchase.

Errors in escrow account funds that (i) are due to Correspondent payment of an escrowed item and (ii) cause a shortage in the Correspondent's proceeds will not be refunded until Norcom Mortgage receives proof of such payment.

5.5 MERS Registration and Transfer Procedure

All loans are required to be registered with MERS at the time the loan closed. The Correspondent is responsible to ensure that the loan is registered in MERS correctly.

The Correspondent warrants that all information is entered correctly as required by MERS prior to Transfer.

Once Norcom Mortgage purchases the loan, the lender must execute a transfer of servicing rights and transfer of beneficial rights (TOS/TOB batch) in the MERS system.

Transfers must be made to Norcom (Org ID #1004985) *within 48 hours* of loan purchase.

***Fees may apply if the servicing and beneficial rights are not transferred within 2 business days of the loan purchase by Norcom Mortgage.**

5.6 Final Document Submission and Penalty Policy

Final documents must be submitted to Norcom Mortgage, under cover of the Closed Document Checklist, within 15 calendar days after the date the Correspondent funded the loan or as otherwise mutually agreed by the Correspondent and Norcom Mortgage in writing. Emerging Correspondents must submit final documents within five (5) business days of loan funding. Final documents include, as applicable, the following items:

- Original, recorded Security Instrument, including all applicable riders
- Original, recorded Assignment(s) of Security Instrument
- Mortgagee Policy of Title Insurance
- Correction/Ratification Agreement [if applicable]
- Power of Attorney [if applicable]

Norcom Mortgage prefers that the final documents for each loan be delivered as a package. However, if the delivery period has expired, all documents on hand should be delivered immediately, and any documents outstanding should be delivered on an as-received basis.

All documents should reference Borrower's Name and Property Address Norcom Mortgage requires all final documents be shipped separate from the original loan package received for purchase. These documents are not pulled from the loan package. They will need to be placed in a separate envelope or package and shipped to the address below.

The Final Documents should be sent to:

**Norcom Mortgage
38 Security Drive
Avon, CT 06001
Attention: Correspondent Department**

The Note and Security Instrument must contain the name and NMLSR ID

FINAL DOCUMENT CHECKLIST

Mortgage/Deed of Trust (DOT)/Security Instrument

- The **MERS** language is disclosed in the body of the Mortgage/DOT/Security Instrument
- The MERS toll free phone number is disclosed in the body of the Mortgage/DOT/Security Instrument
- The **MIN** number is disclosed on the 1st page of the Mortgage/DOT/Security Instrument and all 18 digits are correct
- Document date corresponds with notary date.
- Prepared on correct form.
- Both written and numeric loan amount match.

Legal Description; Lot, Block and Subdivision matches Title Policy (and Assignment of Security Instrument, if applicable).

Note: the Borrower(s) *must* initial all changes made to the Legal Description.

Recorded in the correct City/Town as indicated in the Legal Description.

All Applicable Riders are attached and recorded with the Mortgage/DOT/Security Instrument as indicated in the Mortgage/DOT/Security Instrument.

- Borrower(s) signed as their name(s) were typed.
- Notarized on or after document date.
- Mortgage and Note date must match.
- Last payment date
- Property address must match as listed on the original note.
- All changes made to the document *must* be initialed by the borrower(s) beside the correction.
- Notary section complete; names, expiration date, date of acknowledgement and seal and signature.

Note: Must have Clerk Certified Copy or Original for all Loans. If Copy, must show complete filing information

5.7 Final Title Policy

Original or computer generated signature on policy jacket and all applicable endorsements.

If Certified True Copy, *must* have a complete copy of the jacket (inside and out, front and back).

- Mortgage/DOT/Security Instrument description and filing information must be complete (loan amount, borrower(s) name(s) as they appear on Mortgage/DOT/Security Instrument exactly, and filing information).
- Assignment of Security Instrument filing information correct. (Note: This information is optional. If present, *must* be correct.)

Schedule A to include:

- Date of Title Policy not earlier than Mortgage/DOT/Security Instrument Recording Date
- Amount of Insurance; same as Loan Amount of Mortgage/DOT/Security Instrument
- Name of Insured (Norcom or originator of Loan only)

Endorsements

Applicable endorsement are attached, including:

- EPL on all Conventional and Jumbo loans, PUD, ARM, Condominium, Balloon, Location, Survey Deletion, Restriction or Comprehensive, Mineral Rights.

5.8 Transfer of Mortgage Servicing

Both the Correspondent and Norcom Mortgage are required to provide the borrower with timely Transfer of Servicing Disclosures upon the purchase/sale of a loan. Such disclosures are commonly referred to as the Good-Bye Letter (Correspondent) and the Welcome Letter (Norcom Mortgage).

The borrower can contact the Mortgage Servicing department at #1-844-NORCOM1 if they do not receive the Welcome Letter prior to the first payment to Norcom.

5.9 The Good-Bye Letter

The Correspondent must issue the Good-Bye Letter no less than 15 days before the effective date of the transfer. The Correspondent must instruct the borrower to forward payments to:

**Norcom Mortgage
38 Security Drive
Avon, CT 06001
Attention: Mortgage Servicing Specialists**

The Welcome Letter

Norcom Mortgage will provide the Welcome Letter to the borrower no more than 15 days after the effective date of the transfer. Norcom Mortgage must be provided with the Correspondent's toll free number. Otherwise, the borrower will be instructed in the Welcome Letter to call collect to the Correspondent.

If the borrower has any questions prior to receiving their welcome letter, they can contact the Norcom Servicing Department at **1-844-NORCOM1**.

5.10 Security Instrument

- The executed state specific MERS Security Instrument, including any applicable riders thereto.
- Any person whose signature is required to perfect a lien against the property must sign the Security Instrument.
- **MERS Members:** The Security Instrument must include the appropriate MERS verbiage, the MIN Number, and the MERS telephone number.
- The Security Instrument must be completed in its entirety, executed, and notarized on the closing date.
- **MERS Members:** Correspondent Lenders that are MERS members are required to register the MIN number prior to loan delivery to Norcom Mortgage.

5.11 Power of Attorney

Norcom requires that all POA be pre-approved prior to closing.

A Specific Power of Attorney that references the property and authorizes the attorney-in-fact to enter into a real estate transaction to the mortgage property is permitted provided certain parameters are met. See POA Approval Request, located on the NorcomCorrespondent.com website, under "Forms".



Correspondent Lock Policy

1. Rate Lock Commitments will be issued as best effort.
2. Rate Lock Commitments must be done through the online portal, accessed at www.norcomcorrespondentTPO.com. Loans must be registered [upload a 3.2 file to the portal] PRIOR to locking.
3. All lock requests must be submitted by 7:00pm (EST). Norcom does not offer overnight protection. Norcom will issue a rate lock confirmation within 24 hours. It is the Correspondent's responsibility to notify secondary if confirmation is not received within 24 hours.
4. Rate Lock Commitment periods are 30, 45, 60 and 75 days.
5. Norcom Mortgage must receive complete funding documentation within 10 days of the file closing. [Emerging Correspondents must submit within 5 days of file closing].
6. If the initial delivery expiration date falls on a Saturday, Sunday or a Holiday it will automatically be extended to the next business day.
7. **The Loan File must deliver and fund by the Rate Lock Commitment expiration date.** Loans with documentation deficiencies which prevent funding will be put in suspense. Correspondents must clear these suspense items before the expiration date or they will be subject to an extension cost.
8. Extension requests must be received by Secondary by 5:00pm (EST) on or before the expiration date.
9. Extensions can be allowed up to a maximum of 15 days. If more than 15 days is needed, worst case pricing applies.
10. Extension fee for 7 days is .125; for 15 days is .25
11. Rate locks that have expired are eligible to lock at worst case pricing for 15 days, and are subject to a .25 relock fee.

NORCOM'S FLOAT DOWN POLICY

- A float down option is offered on eligible locks where the interest rate can be decreased by .125% or more. To calculate, use the current rate sheet 15-day price of the lower note rate for the same product as the existing lock and subtract 62.5 bps.
- All in price cannot be better than original all in lock price.
- Loan must be in UW Approved status.
- Renegotiated terms are not eligible for extensions. If a lock expires or the loan does not fund within 15 days, the loan will be re-locked at worse case pricing of the original lock price and current market.
- Lock cannot be expired.
- ARMS, Non-Conforming Jumbo's and specialty products are ineligible.
- Float down price will include extension costs previously accrued.
- New lock expiration date will be recalculated based on a 15 day lock from date of float down or using current lock expiration, whichever is less.

Cooling Period: To avoid worst case pricing, Correspondent can relock however they must wait until after 30 days from the Rate Lock Expiration date to obtain current pricing.

4-8-2016