

CLIENT GUIDE | CHAPTER 4

Loan Delivery and Purchase Policies with Gateway First Bank

CORRESPONDENT LENDING

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Loan Delivery and Purchase

General

Clients are required to deliver closed loans by 3 p.m. CT on or prior to the Lock Expiration date. If a complete loan package is not received by 3 p.m. CT on or prior to the Lock Expiration Date, the commitment must be extended or re-locked as outlined in Chapter 3 of this Guide. Completed loan packages must include all documentation obtained or provided by the Client in originating, processing, underwriting, and closing the loan and must evidence compliance with all investor, agency, insurer and regulatory requirements.

The loan must close in the name of the Client, or if applicable, their Gateway prior approved d/b/a or affiliate (as those terms are defined by the applicable Investor, Insurer or Agency). No documents are to be drawn in the name of Gateway.

All documents must be free of whiteouts, erasures and all borrowers must initial any corrections made. Documents must conform in all respects with FHLMC, FNMA, GNMA, FHA, VA, USDA, ONAP Section 184 or USDA, Veterans Land Board (TVLB loans), and all Specialty Loan Programs, Investor, Insurer, Agency and document custodial requirements, as applicable for the loan product and terms. Gateway relies upon the Client's representations and warranties that all loans are fully negotiable and enforceable and can be serviced in accordance with the terms of Gateway's Correspondent Loan Purchase and Sale Agreement ("Agreement"). Client agrees to indemnify and hold harmless Gateway from any claims, damages or losses suffered or otherwise incurred by Gateway which arise in whole or in part from any breach of the representations and warranties contained in this Guide or the Agreement. Client further agrees that all determinations made by Gateway regarding whether a breach of these representations and warranties occurred shall be final.

Client further represents and warrants that the loans fully comply with all applicable federal, state and local laws and regulations, including licensing requirements for the Client and other parties involved in the origination of each loan.

To avoid suspensions that create avoidable purchase delays, please be sure to:

- Coordinate delivery of the imaged loan file with your custodian or warehouse bank's delivery of the original Note.
- Submit new warehouse lines and/or wire instructions to Gateway Counterparty Risk Team for prior approval and in advance of loan delivery.
- Ensure that borrower names and property addresses are identical on the Note, Mortgage/Security Instrument, Title Commitment, Appraisal, Flood Certificate, AUS findings, and all insurance policies.
- Re-run AUS prior to closing once final numbers are known.
- Review AUS findings to make sure file documentation matches last AUS run. Make sure all AUS conditions have been met.
- Include an explanation of how you calculated qualifying income and assets. If applicable, release the DO findings to Gateway.
- Upload all required ULDD/UCD data to Fannie Mae and Freddie Mac for conventional loans. In addition, utilize FNMA EarlyCheck or FHLMC Loan Quality Advisor.
- Documents necessary to clear suspensions must be delivered by 5 a.m. CT on or before the purchase by date.

Calculating Interest

A 30/360 calendar year is used for the purposes of amortizing payments and calculating per diem interest between Gateway and the Client.

Delivery of Closed Loan Packages

Electronic and Stamped Signatures

An electronic or digital signature is one generated by a computer. A stamped signature is one produced by a rubber stamp.

- Electronic or stamped signatures are eligible on specific documents and loan types as noted in the Electronic Signatures and POA Matrix.

Other Requirements:

- An indication of the electronic signature and date must be clearly visible when viewed electronically and/or in a paper copy of the electronically signed document.
- Clients must employ the same level of care and due diligence with electronically signed documents that they would for paper documents with "wet" or ink signatures.
- Electronic signatures must be in accordance with the Electronic Signatures in Globaland National Commerce Act (ESIGN) and the Uniform Electronic Transactions Act (UETA), as applicable.
- FHA defines third-party documents as those originated and signed outside the lender's control, such as a sales contract, amendatory clause or real estate certification. Third-party documents do not include the Closing Disclosure or any ofits supplements unless the electronic signature is provided by HUD, such as in a HUD property disposition sale.

Pre-Signing and Post-Signing Closing Documents

The Closing Date on all Closing Documents (e.g., Note, Security Instrument, CD, etc.) must all match and be the same day as the borrower(s) signs. On purchase and refinance transactions, Borrower(s) CANNOT sign closing documents prior to or after the computer-generated document date which is the scheduled closing date. Exception: For a joint application requiring the closing documents to be sent between borrowers for separate signatures, one borrower may sign and date before the scheduled closing date. In this circumstance, the closing date reflected on the closing documents must be the anticipated date the remaining borrower signs and completes the transaction, establishing the legal obligation. For Hybrid Closing see Electronic Signatures and POA Matrix for pre-signing requirements (Sellers can pre-sign documents). The loan cannot disburse until all applicable parties to the transaction have signed.

On rescindable transactions, the 3-day rescission period begins following consummation, delivery of the Notice of Right to Cancel, or delivery of all material disclosures, whichever occurs last. The rescission period cannot begin until the day the borrowers sign and date the Notice of Right to Cancel.



Pre-Purchase and Post-Purchase Reviews

Gateway has the right, but not the obligation, to perform reviews on loans delivered for purchase. These reviews may be pre-purchase (done before a decision to purchase) or post purchase (done after the loan is purchased). The review selection is weighted to loans determined as having higher risk characteristics. These reviews may or may not include review of all aspects of the loan and may or may not include re-underwriting.

Gateway may use fraud detection tools, Fannie Mae EarlyCheck, or a similar service to screen any loan. With respect to these reviews, Gateway reserves the right to reject any loan for purchase or to demand repurchase, as applicable, if Gateway determines the loan is not of investment quality or does not otherwise conform to the requirements of the Contract documents.

The fact that Gateway has conducted or not conducted any partial or complete review of a loan before purchasing it, including, without limitation, underwriting or not underwriting the loan, shall not affect Gateway's rights and remedies and the Client's obligations, liabilities, representations, or warranties under the Contract Documents, this Guide or the Agreement, including without limitation, the Client's repurchase and indemnification obligations. Refer also to your Correspondent Loan Purchase and Sale Agreement.

Delivering Loan Packages

Loan packages (excluding original Notes, Bailee Letters / Wire Instructions, and the Trailing Documentation as detailed later in this Guide) must be delivered to Gateway's Correspondent Operations Center utilizing our website's image delivery system at www.GatewayCorrespondent.com.

Images must be in PDF format; no specific stacking order is required.

All documentation obtained by the Client in originating, processing, underwriting and closing the loan must be delivered to Gateway. All documents must be in form and content acceptable to the applicable investor, Agency, insurer and regulator(s). This section includes only information related to specific Gateway requirements that differ from or expand upon investor, Agency, insurer, and regulatory requirements.

Gateway may determine for legal, secondary marketing, or other reasons that other original documents must be delivered. Upon such determination, the Client is required to deliver the original documents.

Purchase Requirements

Balance and Payments Amortized

The first payment due Gateway is based on when the file is scheduled for purchase by Gateway and the date of the first payment. All first payments are amortized for loans scheduled for purchase after the 14th of the month. If the 14th falls on a weekend or holiday, Gateway will use the previous business day as the amortization cutoff date.

See examples for first payment dates in the table below:

IF the Schedule Purchase Date Is:	THEN...
on or prior to the 14th of the month and the first payment is due on the first of the following month or the month after that, **Example**: Scheduled purchase date is March 14th First payment is due either April 1st or May 1st	• the loan will NOT be amortized • the loan will be purchased at the original principal balance • Gateway will begin immediately servicing the loan
on or after the 15th of the month and the first payment is due on the first of the following month, **Example:** Scheduled purchase date is March 15th First payment is due April 1st	• the Client is responsible for collecting the first payment and continuing to service it until the first payment is due Gateway • the amount of the first payment will be netted out of the Purchase Advice • the loan will be amortized one time, and • the loan will be purchased at the original principal balance less one payment (including escrows if applicable)
on or after the 15th of the month and the first payment is due on the month after the following month, **Example:** Scheduled purchase date is March 15th First payment is due May 1st	• the loan will NOT be amortized • the loan will be purchased at the original principal balance • Gateway will begin immediately servicing the loan

Fees

Refer to the daily Gateway Rate Sheet in effect for the loan's lock date for Gateway's administrative fees (funding, tax service, flood certification, and other applicable fees. Fees due Gateway will be netted from the loan funding wire and reflected on the purchase advice. Additionally, any applicable loan level specific pass-through delivery fees due the investor will be net funded.

Purchase Advice

Gateway's Purchase Advice will reflect the detailed calculation of the net amount funded. Once a Purchase Advice is generated, it will be posted to our website for the Client's access at www.GatewayCorrespondent.com.

Funds are wired to the Client or their designated warehouse bank. Refer also to the Bailee Letter/Wire Instructions sections of this Chapter and the Warehouse Bank section of Chapter 2. The Client is urged to reconcile purchase advices and wires daily and report any discrepancies immediately to their Gateway Correspondent Client Liaison. Refer also to the Post-Purchase Documentation section of this Chapter for additional required actions.

Original Collateral Package Documentation

Note

The original Note (and any applicable original Note Riders or Addenda) must be delivered, along with the applicable Gateway prior-approved Wiring Instructions and/or warehouse bank's Bailee letter to:

Gateway First Bank,
Attention: Correspondent Note Custodian
244 South Gateway Place
Jenks, OK 74037-3448

Original Notes (including any applicable required Note Riders or Addenda) are always required; Gateway does not accept lost Note affidavits or Notes marked as "duplicate original", "corrected Note", "replacement Note" or similar verbiage.

If dates exist on the Signature Line, they must be the same as or later than the note date printed on the front of the Note (applicable for all loan products).

Gateway will complete its pre-purchase audit based on the original Note document(s) delivered to the Gateway Note Custodian at the above address.

Clients must use the current and correct uniform Note as required by the applicable investor or agency. Click here to access Fannie Mae and Freddie Mac's current list of uniform Note instruments for conventional loans.

Note Endorsement or Allonge

The Note must have a complete endorsement chain ending with Gateway First Bank, Correspondent Lending. Any intervening or canceled endorsements require a written explanation and may result in the loan being ineligible for purchase as provided in the Age of Loan / Prior Rejects section of this Chapter.

The correspondent Client name on the face of the Note and in the endorsement language must match exactly and must also be the exact Client entity prior approved by Gateway. Only those officers authorized on the most recent Corporate Resolution approved by Gateway may execute the endorsement.

The endorsement should appear on the Note if there is sufficient room on the Note. An Allonge may be used for the endorsement if the following requirements are met:

- The form and content of the Allonge must comply with all applicable state, local, or federal law governing the use of Allonges and result in an enforceable and proper endorsement to the Note.
- The Allonge must be permanently affixed to the related Note and must clearly identify the Note by referencing at least the name of the borrower(s), the date of the Note, the amount of the Note, and the address of the security property.
- Any subsequent endorsement should also be placed on the Allonge.

The endorsement language must read materially as follows:

Pay to the order of Gateway First Bank without recourse
_____(Client / Lender printed name)
By: _____Signature of Authorized Officer)
Name: _____(Printed)
Title: _____(Printed)

Bailee Letter and Wire Instructions

Gateway requires that a Bailee Letter be submitted with the delivery of the original Note. Clients that are regulated depository institutions, or that have a regulated depository parent, may deliver Wire Instructions in lieu of the Bailee Letter.

Gateway will complete its pre-purchase audit based on the original Note document(s) delivered to the Gateway Note Custodian (reference Chapter 1 for original Note delivery address). For all loans, a copy of the original Note must also be included within the imaged loan file delivery.

As part of the Client approval process, and prior to Gateway wiring any funds, Gateway has the right to confirm the bank account wiring information. Once confirmed, the information is entered into the Client's record on Gateway's correspondent systems. This process takes approximately five business days.

If an original Note is delivered without wire instructions, or if the wire instructions delivered do not match the approved instructions on Gateway's system, the loan will be suspended. The suspension will not be cleared until approved wiring instructions, signed by an authorized signer, as named on the RESOLUTION OF BOARD OF DIRECTORS AND CERTIFICATE OF SECRETARY form, are received, processed, and entered into Gateway's system.

To deactivate previously authorized wire transfer instructions, an authorized officer of the Client, as named on the RESOLUTION OF BOARD OF DIRECTORS AND CERTIFICATE OF SECRETARY form, must complete and sign a Deactivation of Wire Instructions form letter and email to counterparty@gatewayloan.com.

Powers of Attorney

Powers of Attorney ("POAs") are acceptable during the processing and closing of a loan transaction if they meet applicable legal, title insurer and Gateway's Electronic Signatures and POA Matrix.

If a Power of Attorney is used by a borrower to execute the Note, the original recorded POA or a certified copy of the original POA which has been sent for recording with the Security Instrument, must be attached to the Note. For all loans, a copy of the original POA must also be included within the imaged loan file delivery.

When signing documents under a Power of Attorney, the words "attorney-in-fact" must appear as part of the signature line. An example of an acceptable signature line for documents executed under a Power of Attorney is:

(Signature Line)	_____
(Typed Name)	"John Public by Jane Public, his Attorney-in-Fact"
	(Jane would sign as "John Public by Jane Public, his Attorney-in-Fact")

Powers of Attorney *(continued)*

All POAs must also:

- comply with applicable state law and Agency and/or Investor requirements
- be accepted by the title insurer; no POA related title policy exception or coverage limitation is allowed
- be recorded prior to or concurrently with the Security Instrument
- be signed and dated by the party granting the POA
- be signed by an appropriate witness (if required by applicable state law)
- specifically identify the subject property by legal description matching the Security Instrument
- specifically provide for the execution of any and all documents pertaining to the mortgaging of real property
- be in effect on the date of signing be notarized
- be irrevocable even upon disability or incapacity of the granting party
- not be granted to an interested party to the transaction (e.g. realtor, broker, seller, closing agent)

For Conventional and FHA loans the initial loan application may not be executed using the POA if the POA is used to execute the final loan application (e.g. either the initial or final application must be signed by all Borrowers). Conventional does not allow POA for cash out refinance transactions.

For VA loans, a POA may be used for any documents necessary to obtain a VA guaranteed loan, including a Certificate of Eligibility. VA also requires the Veteran to provide written consent to the specifics of the transaction as evidenced by either:

- The Veteran's signature on both the sales contract and the initial loan application, if the Veteran's intention to obtain a VA loan on the specific property is expressed somewhere in these documents OR:
- A specific POA or other document signed by the Veteran that includes all of the following:
    - Entitlement: A clear intention to use all or a specific amount of the veteran's entitlement
    - Purpose: A clear intention to obtain a loan for the purpose identified (e.g., purchase, refinance, construction)
    - Property Identification: Identifies the specific property.
    - Price and Terms: States the sales price, if applicable, or other relevant terms of the transaction.
    - Occupancy: Indicates the veteran's intention to use the property as an owner occupied home or other appropriate VA occupancy requirement.

At the time of loan closing, the Client must also verify the veteran is alive, and, if on active military duty, not missing in action. This "alive and well" information must be confirmed by the Client, who must in turn make the following certification using the VA Lender's Certification Regarding Power of Attorney (VAPOA):

"The undersigned lender certifies that written evidence in the form of correspondence from the veteran or, if on active military duty, statement of his or her commanding officer (including statement of person authorized to act for said officer), affirmatively indicating that the veteran was alive and, if the veteran is on active military duty, not missing in action status on (date), was examined by the undersigned and that the said date is subsequent to the date the Note and security instruments were executed on the veteran's behalf by the attorney-in-fact."

Any hardship exceptions to VA's POA requirements must be made in writing by VA.

Closing, Servicing, and Compliance Documentation

Submission Document Checklist

The Submission Document Checklist for Delegated and Non-Delegated loans is provided as a tool for Client's use in submitting required delivery documentation. It lists the most commonly required documentation but is not intended to be all-inclusive for every loan. Use is recommended, but optional.

Rate Lock Confirmation

Include a copy of the final, unexpired Gateway Rate Lock Confirmation accessible in GEMS via our website www.GatewayCorrespondent.com.

Security Instrument and Riders

A complete certified, true copy of the Security Instrument signed by the borrower(s), with all applicable riders required by Freddie Mac, Fannie Mae, FHA, VA, USDA or HUD/ONAP, must be included.

- The correct uniform document security instrument and applicable rider(s) must be used according the product, property type and state as required by Freddie Mac, Fannie Mae, FHA, VA, USDA or HUD/ONAP. Click here Fannie Mae's current list of uniform Security Instruments and Riders. Click here for Freddie Mac's current list of uniform Security Instruments and Riders.
- The FHA case number must be listed on security instrument for FHA loans.
- For conventional loans, the tagline that identifies the Security Instrument and/or Riders as a uniform instrument must be reflected on each page.
- If any information on the Security Instrument is incorrect or incomplete, the errors must be corrected and the Security Instrument re-recorded. Gateway will require a copy of the instrument with corrections and a letter that the corrected document has been sent for re-recording prior to funding. Changes that affect the terms of the loan (i.e., loan amount, maturity date) must be initialed by all borrowers.
- If a required Rider is not signed at closing, the borrower(s) must execute the applicable Riders and the Security Instrument with Rider attached must be re-recorded. Gateway will require a copy of the instrument with Rider and a letter that the corrected document has been sent for re-recording prior to funding.
- If closed in the name of a Trust, borrower must sign individually and as Trustee. The complete name of the Trust is required on the signature line. (See also Trust requirements).
- The Security Instrument must be a MERS MOM document and have 18-digit MIN#. If the Client's Org ID and MIN # is incorrect or missing, the Client must take one of the following actions to correct:
    - Execute a Mortgagee's Affidavit to be recorded
    - Execute Mortgage Modification to be re-recorded
    - Correct the Security Instrument and re-record
- Signature Line Dates must be the same as or later than the Security Instrument date printed on the front of the Security Instrument (applicable for all loan products).
- Notary acknowledgement date must match the borrower signature date.

MERS

All loans must be closed on a MOM Security Instrument.

- The originator must register the loan with a MOM security instrument on the MERS System within seven (7) calendar days of the Note Date (or Funding Date in escrow states). The loan must be registered prior to Gateway purchasing the file.
- The Client must transfer the loan servicing to Gateway within three (3) business days from the date of purchase. The correct way to transfer is:
    - Servicer: 1002877 (Gateway First Bank)
    - Subservicer: None
    - Investor: 1002877 (Gateway First Bank)
- MERS Fraud Tools (accessed either directly through MERS or through a third-party fraud service such as Interthinx, CoreLogic or DataVerify) should be utilized by Delegated clients within 24 hours of closing to confirm no undisclosed liabilities identified by the MIN number or under the borrower's social security number. The output of this check should be printed and included in your file prior to purchase. If you choose not to include a fraud report in the file, Gateway may choose to order one at a cost of $10.00. Gateway will perform the fraud check for all Non-Delegated loans.

Title Insurance

Each loan must be covered by a mortgagee title insurance policy issued in the name of the originating lender, its successors and/or assigns, as their interests may appear("ATIMA").

The title insurance binder/commitment must be delivered prior to funding and it and the final policy must meet these additional requirements:

- The title commitment must be issued within 90 days prior to the closing date; the title policy effective date must be no earlier than the date on which the Security Instrument was recorded.
- Must be issued by an approved American Land Title Association (ALTA) title insurance company acceptable to Fannie Mae and/or the applicable investor/agency/regulator (Note: CLTA acceptable in CA).
- Coverage must equal the mortgage amount.
- Gateway second liens require a separate title policy from the Gateway first lien.
- Must contain at least a 12-month history of the property's ownership.
- In purchase transactions, the property seller must be the owner of record and match the current owner on the Sales Contract and Appraisal.
- In refinance transactions, title must be vested in the borrowers. All applicable investor/agency continuity of ownership and seasoning/anti-flipping requirements must be met.
- Must insure a valid first lien position for Gateway and be in the form prescribed the applicable investor/agency/regulator, including all required and applicable endorsements for the loan and property terms/type. Copies of any required mortgage payoffs or subordination agreements must also be in file.
- All judgments/liens must be documented as paid off, subordinated or insured over.
- Real estate taxes must reflect "Not yet due and payable". On condominiums and PUDs, taxes can only be assessable against the subject unit and its undivided interest in the common areas and not the project as a whole.
- Must contain no exceptions not expressly permitted by the applicable investor/agency, including, but not necessarily limited to survey exceptions, unpaid real estate taxes and/or assessments, or exceptions related to the use of a POA, taking title in the name of a Trust, or any leasehold form of ownership.
- A signed attorney opinion letter with the complete and correct legal description, easements and /or restrictions is acceptable in place of a title commitment in Iowa.

Closing Protection Letter ("CPL")

Gateway must receive an acceptable Closing Protection Letter (CPL) on every loan. If applicable state law does not permit issuance of Closing Protection Letters, a copy of the closing agent's Fidelity Bond Insurance and E&O coverage must be provided, evidencing minimum coverage of $1,000,000 under each policy.

The CPL must also meet the following conditions:

- Closing Agent Name and Address on the CPL must be the Settlement Agent on the Closing Disclosure except in Escrow States.
- Title Insurance Underwriter issuing the CPL must be the same title underwriter on the Title Commitment as well as on the Final Title Policy.
- The CPL must state the title commitment number or file number.
- The CPL must reflect the borrower(s) name(s) and full property address of the transaction.
- The CPL must be dated between the date of the title commitment and the date of the loan closing/ funding.

Appraisal

Gateway will follow AUS findings with respect to appraisal reviews. Property Inspection Waivers (DU PIW), Automated Collateral Evaluation (ACE LPA) and Desktop Appraisals are acceptable if they meet agency guidelines.

- Appraisals delivered 'as is' with repairs that affect safety, security, or structural soundness that the appraiser missed will be conditioned for the appraiser to correct the report to 'subject to' and require a final inspection.
  Leaving the appraisal 'as is' and including photos of repairs is no longer an option.
- Condition Ratings of C5 and C6 are ineligible.
- Full appraisals are always required for the following transaction types or according to all Agency requirements:
  a. Texas Section 50(a)(6) loans
  b. Texas Veteran Loan Board (TVLB) loans
  c. Two- to four-unit properties
  d. Transactions with gifts of equity
  e. Transaction when purchase price or estimated value provided to DU is over $1,000,000
  f. Government transactions that require appraisals

Surveys

A survey is not required in areas where surveys are not customary and the title insurance policy insures the mortgagee against loss or damage by any violation, variation, encroachment or adverse circumstances that an accurate survey would have disclosed. Surveys are not required for condominium units. In all other cases or, if the borrower(s) has been charged for a survey on the Closing Disclosure a survey is required and must meet the following minimum requirements:

- Be acceptable to the title insurer and meet all requirements of the applicable investor/agency, including but not necessarily limited to, requirements related to the age of the survey and as to the nature and extent of any identified encroachments.
- Be based on the results of an instrument survey performed, dated and certified by a licensed civil engineer or registered surveyor.
- Provide proof that the improvements are wholly within the established boundaries of the defined legal description.

Name Affidavit

A name affidavit is required when a borrower did not sign either the Note or Security Instrument exactly as typed or when the borrower is on title differently from the Note or Security Instrument (e.g., middle initial is typed on Note but borrower signed Note with full middle name and/or borrower is in title under maiden name and is refinancing as married name). A name affidavit is also necessary in cases of name variations on credit reports and borrower identification documents.

Trusts

Inter Vivos Revocable Trusts and Land Trusts are acceptable if allowed by the applicable investor/agency for the product, property and occupancy type and further provided:

- The Client has documented and reviewed the nature and terms of the Trust and determined it to meet all applicable investor/agency requirements.
- The file contains the Trust documentation required by the applicable investor/agency and reviewed by the Client. A checklist or other worksheet evidencing Client's determination of investor/agency compliance must be included in the loan file.
- The title insurer has reviewed the Trust documentation and made no related exceptions or coverage limitations.
- The Note and Security Instrument, including any required Riders thereto, are properly executed both individually and as trustee as required by the applicable investor/agency.

Life Estates are ineligible.

Payment History

Payment histories are required when:

- The borrower makes a curtailment payment to the Client prior to Gateway purchasing the loan
- Any payment due dates have passed
- Any payments have been received
- Any escrow disbursements have been made
    - Property Taxes due within **45** days of the Gateway purchase date requires Client to provide proof of payment.
    - Property Insurance (hazard, flood, wind, etc.) with a renewal date within **45** days of the Gateway purchase date requires Client to provide proof of payment.
    - Monthly FHA MIP or Monthly Conventional PMI with borrower payment due dates prior to Gateway purchase date requires Client to provide proof of payment for each applicable month. In addition, Client will be responsible to pay the forecasted FHA MIP or the Conventional PMI and provide a proof of payment if collecting a forecasted borrower payment to meet RESPA regulations.

Payment history must include:

- Borrower Name
- Note Amount
- Unpaid Principal Balance
- Payments Received
- Escrows Disbursed
- Escrow Balance

Payment History *(continued)*

Who Pays Escrows When Due On Initial Escrow Disclosure (IED)?	FHA MIP & Conventional PMI
Gateway collects all payments - Client collects 0 payments Note First Due: February 1, 2022 GMG First Due: February 1, 2022 Gateway Wire Date: On or prior to January 14, 2022	Gateway
Gateway collects all payments - Client collects 0 payments Note First Due: February 1, 2022 GMG First Due: March 1, 2022 Gateway Wire Date: January 15-30, 2022	Client February Forecasted Payment History
Client collects 1 payment Note First Due: February 1, 2022 GMG First Due: March 1, 2022 Gateway Wire Date: February 1- 14, 2022	Client February Forecasted Payment History
Client collects 2 or more payments Note First Due: February 1, 2022 GMG First Due: April 1, 2022 Gateway Wire Date: February 15- 28, 2022	Client February Payment History & March Forecasted
Client collects 2 or more payments Note First Due: February 1, 2022 GMG First Due: April 1, 2022 Gateway Wire Date: March 1- 14, 2022	Client February Payment History & March Forecasted

Gateway recommends that all closed loans contain a payment history to assist in the accurate purchase of the principal and escrow balances.

First Payment Letter

A first payment letter, signed and dated by the borrower(s), must be included in the closed loan package.

The payment breakdown in the first payment letter must reconcile to the P & I indicated on the Note and the escrow account items as reflected on the Closing Disclosure and Initial Escrow Account Disclosure.

The first and subsequent payment dates must comply with applicable Investor/Agency requirements.

Escrow Waivers

If the loan has no escrows collected on the Closing Disclosure, an Escrow Waiver Letter should be in the file and contain the following borrower acknowledgments:

- Borrower(s) are responsible to pay the taxes/insurance on the subject property.
- Borrower(s) will provide the servicer with proof of payment of taxes/insurance.
- Borrower(s) understand that if they fail to pay the taxes/insurance, the servicer has the right to revoke the escrow waiver and/or force place insurance, and/or pay the taxes and charge the borrower accordingly.
- Flood Insurance is always waived when the CoreLogic Flood Cert does NOT require flood insurance. Borrower(s) choosing to purchase optional flood insurance are responsible for paying their own flood insurance.

Refer to the Product Descriptions in Chapter 5 to determine if escrow waivers are permitted for a particular loan product. Refer to Chapter 3 of this Guide for our escrow waiver policy and pricing requirements. Refer to the Overlay Matrix for specific guideline restrictions.

Taxes

Each file must evidence compliance with the following closing requirements relative to real estate taxes:

- Tax bills due within **45** days of the settlement date should be paid before or at settlement.
- Initial Escrow Account Disclosure should show paying property taxes in the month that gives the borrower the best discount. Many counties offer a discount for early property tax payment.
- Initial taxes on new construction rarely reflect an accurate tax assessment. Typically, the initial taxes are based upon unimproved or partially improved land. The discrepancy between the initial tax year assessment and the following tax year assessment (based upon the fully improved land) is often substantial and can result in payment shock to the borrower. The following options for such tax escrow collection are allowed, provided any estimated figure must comply with RESPA provisions for using estimates by using one of the following:
    - Collect based upon an estimated full tax figure on the Closing Disclosure and base both the payment and the escrow allocation upon an estimated tax amount. The file must document how the Client arrived at the estimated fully assessed tax amount used.
    - Collect on the land or partially assessed value only, but base future escrow allocation and payment upon an estimated tax amount. The file must document how the Client arrived at the estimated tax amount used and also contain a disclosure signed by the borrower acknowledging the payment shock risk associated with this method of collection.
- A completed Tax Certificate must be in the file and must include the following:
    - All collecting tax authorities for the property
    - Addresses for all taxing authorities
    - Last paid date of all taxes
    - Next due date of all taxes
    - The amount of taxes, and
    - All applicable parcel ID numbers
- If the borrowers are exempt from paying real property taxes, the file must contain proof of the tax exemption, usually a letter from the taxing authority.

Taxes *(continued)*

- TVLB Property Tax Exemptions for Texas purchase transaction properties
- Veterans can qualify with a PITI that excludes property taxes when Veteran is 100% disabled. This can be documented with:
  - VA Verification of Benefits showing Service-connected disability, combined service-connected evaluation, and disabled due to service-connected disabilities; and/or
  - Disability Awards letter evidencing the Veteran is 100% disabled.
- Seller prorated collected property taxes on the Closing Disclosure must be paid to the County Tax Office at closing or deposited into the borrower's escrow account. Seller prorated property taxes should NEVER be used towards borrower loan closing costs.
- Closing Disclosure Page 1 Estimated Property Taxes must be YES on all loans that require an escrow account. This includes all loan programs. Only exception is conventional loans < 80% LTV and borrower chose to waive escrows.
- If your system requires a monthly dollar amount to be entered for property taxes to be YES, Gateway will accept a penny for 100% disabled service-connected Veteran that will be filing their exemption paperwork at the applicable tax offices immediately following the loan closing.
- Property Taxes showing YES on the Closing Disclosure is required for Gateway to properly track and temporarily collect partial property taxes due for the current year. Once that tax year has passed and it's been confirmed the Veteran filed the necessary paperwork to be 100% exempt, Gateway servicing will monitor to ensure billing amount due is zero every year thereafter, then no amount will be paid from the escrow account for the tax escrow line.
- Loans closing in October, November, or December can typically be paid to the County Tax Office as the tax bill can be obtained. Show the seller prorated collected property taxes on the Closing Disclosure page 2, Section F or Section H payable to the County Tax Office. You or title should pay to the County Tax Office at the loan closing.
- For loans closing January through September, the tax bill is typically not obtainable. The seller prorated collected property taxes should be placed in the escrow account. Closing Disclosure should reflect the seller prorated collected property taxes on page 2, Section F payable to the County or Tax Authority (Seller amount held by 'Client Name'). Gateway will add this amount into the escrow setup that shows on the purchase advice and pay the property taxes.
- Borrower Payment letter can show PITI that excludes property taxes for 100% disabled Veterans. This can be documented with:
  - Gateway approved Veteran signed "Property Tax Exemption Waiver" and/or
  - County Tax Exemption approval from County Tax Office
- Property Tax Exemption Waiver (example located on our website in the Resource Center under Exception Request Forms) must include the following information:
  - Veteran acknowledges responsibility to promptly file all Property Tax Exemption Forms with all applicable Tax Assessor office(s) to complete exemption qualification. And delivery the approval to the current Servicer of their loan.
  - Veteran acknowledges they understand that due to their military service-connected disability, they may be exempt from paying property taxes on the home being purchased and will occupy as their primary residence.
  - Veteran has requested the Lender to waive the requirement of escrowing monthly property tax payments.
  - Veteran understands the Lender and/or ISAOA or third party that services their loan shall have the right to establish an escrow account to pay property taxes and increase monthly escrow payment according if they fail to occupy the property and be eligible for the exemption per the appliable property State Property Tax Code and/or pay the property taxes by the due date each year.
  - Veteran certifies their Loan Officer or another individual at the Lender's office has explained this in detail to them and satisfactorily answered any questions.

Hazard/Windstorm Insurance

The Client must ensure that the insurance carrier, policy, and coverage meet all applicable Investor/Agency Requirements, which include, but not limited to Carrier Rating (Minimum B+), deductible, etc. The loan file must contain a copy of the Policy or a Certificate of Insurance, Declaration Page, or Insurance Binder containing sufficient information for Gateway to audit such compliance. Additionally:

Formula for Determining the amount of dwelling coverage:

- The dwelling coverage must be for replacement cost coverage, with the exception of roofs. Roofs must be insured but are not required to be covered on a replacement cost basis; Actual Cash Value (ACV) coverage on roofs is acceptable. (Per FNMA LL-2026-03 / FHLMC Bulletin 2026-C, effective immediately.)
- If your Dwelling coverage is less than the loan amount, you need to find the Insurable Value by calculating Appraised Value minus the Site Value.
    - Example: Appraised Value is $200,000.00, Site Value is $15,000.00 (resulting in $185,000.00 Insurable Value).
- The Replacement Cost Estimator, provided by the Hazard Provider, may also be used to determine coverage.
- If the Dec page includes Guaranteed Replacement, the minimum of the two calculations above is not required
- Coverage Sufficiency (Conventional Loans): For FNMA/FHLMC conventional loans, the prior coverage sufficiency calculation (greater of UPB or 80% of the replacement cost value) has been retired. A property insurance policy that provides coverage on a replacement cost basis (except for roofs) is now deemed to provide sufficient coverage. Lenders and Servicers are no longer required to verify the replacement cost value (RCV) to confirm coverage sufficiency for 1- to 4-unit properties. (Per FNMA LL-2026-03 / FHLMC Bulletin 2026-C, March 18, 2026.)
- For conventional loans (FNMA/FHLMC), the property insurance policy must provide coverage on a replacement cost basis, except for roofs. ACV coverage on roofs is acceptable. Policies that provide ACV coverage on personal property and structures that are not buildings are also acceptable. Policies that settle the dwelling (excluding roofs) on an ACV basis remain ineligible for conventional loan programs. For FHA, VA, USDA, and other loan types, refer to the applicable agency requirements for ACV eligibility. (Per FNMA LL-2026-03 / FHLMC Bulletin 2026-C, March 18, 2026.)
- Other Structures can be counted towards the dwelling coverage for HOI.

Required Information on Declarations Page:

- Mortgagee clause must read as set forth in Chapter 1 of this Guide.
- All borrower(s) holding title on the subject loan are also to be listed as insured on the policy.
- The declarations page must clearly include the policy number, applicable deductible(s), and the specific property address. For condominium properties, if the address includes a unit number, the unit number must also be explicitly listed on the Hazard, Flood, Wind, or other relevant declaration pages.
- "Replacement Cost Coverage" must be visible. Note: For conventional loans, if the policy provides ACV coverage on roofs only, this does not disqualify the policy provided the dwelling (excluding roofs) is insured on a replacement cost basis. (Per FNMA LL-2026-03 / FHLMC Bulletin 2026-C.)
- Quotes/Applications are not acceptable.
- Premium must be listed on declarations page or by an attached invoice.
- Hazard Policy effective date must be on or before the closing date/Note Date (not the funding date) and must be good for 1 year after closing per the policy terms that are in effect as of the loan closing date.
- Any policy that has not been paid prior to closing must be collected to pay in full at closing.

Hazard/Windstorm Insurance(continued)

Required Information on Declarations Page (continued):

- Purchase transactions must show first year premium paid on Closing Disclosure or a paid receipt provided if paid POC “paid outside of closing”.
- Refinance transactions must have a policy term remaining of at least 30 days after closing. If the insurance is to expire within 30 days of closing or within 30 days of Gateway purchase date, a paid receipt for the next years premium must be submitted or must be verified as paid on final CD.
- Insurance policies that provide for claims to be settled as Actual Cash Value or limit, depreciate, reduce or otherwise settle losses for less than replacement cost are ineligible for all loan programs and all property types.

Deductible Amount Limits: (All Perils and Wind/Hail should be separate deductible, not combined)

- Conventional (includes Jumbo) - Deductible limits are 5% for All Perils and for Wind and Hail and must not exceed the face amount of the policy. (These are to each have a separate deductible not over 5%... you do not add all deductibles up to get your final total.)
- FHA and VA – Deductible limits are 5% for All Perils and for Wind and Hail
- USDA – Deductible limits are 5% of the total coverage amount
- HUD Sec 184 – Deductible limit are 2.5% of $2,500, whichever is higher for All Perils and for Wind and Hail

Town Homes/Condo Policies: (also applies to 2-unit condos)

- Master Policy from the Condo/Homeowners Association that meets agency requirements is required.
- Condo Master Policy Deductible: The maximum allowable deductible for all required property insurance perils in a master policy is 5% of the master property insurance coverage amount.
- Condo Master Policy Deductible Cap: The maximum allowable deductible for a master property insurance policy is $50,000 per unit.
- Master Policy Roof Coverage: The master property insurance policy is no longer required to cover roofs on a replacement cost basis. Roofs must still be insured but may be covered on no less than an Actual Cash Value (ACV) basis. (Per FNMA LL-2026-03 / FHLMC Bulletin 2026-C, March 18, 2026.)
- Master Policy Coverage Sufficiency: The master property insurance policy coverage amount must equal at least 100% of the estimated replacement cost value of the project, including common elements and residential structures. Lenders may use any of the following to document that coverage is sufficient: (a) guaranteed replacement cost coverage or its equivalent; (b) extended replacement cost coverage or its equivalent; (c) a replacement cost value estimate provided by the insurer; or (d) a statement from the insurer or other applicable professional with appropriate expertise. (Per FNMA LL-2026-03 / FHLMC Bulletin 2026-C, March 18, 2026.)
- HO6 (walls-in) coverage of sufficient in amount to restore the unit to its condition prior to a loss event is required for Hazard and Flood insurance (if applicable) to cover the interior structures and improvements. Additionally, when the master property insurance policy includes a per-unit deductible, the borrower must maintain a unit owner’s property insurance policy (HO6). The HO6 coverage limit must be at least equal to the greater of: (a) the amount sufficient to repair the unit to at least its condition prior to the loss; or (b) the amount of the per-unit deductible. If the master policy includes a per-unit deductible, the HO6 must also include coverage for all applicable perils to which the per-unit deductible applies. The HO6 policy deductible(s) may not exceed the greater of 5% of the HO6 coverage limit or $2,500. (Per FNMA LL-2026-03 / FHLMC Bulletin 2026-C)

Hazard/Windstorm Insurance(continued)

Town Homes/Condo Policies: (also applies to 2-unit condos)(continued)

- The HO6 coverage is not required if interior structures and improvements are included in the Master Policy in addition to the exterior structure.
- Master Deed for 2-unit condos is required for review.
- Required Master Policy Endorsements (FNMA B7-3-03): All condo, co-op, and PUD master property insurance policies must include or obtain the following coverages:
    - Building Ordinance or Law Coverage — Required. Must include at minimum: Coverage A (loss to the undamaged portion of the building) and Coverage C (increased costs of construction). May be included in the property coverage form or added as an endorsement.
    - Inflation Guard Coverage — No longer required. This requirement has been retired by Fannie Mae (LL-2026-03) and Freddie Mac (Bulletin 2026-C), effective immediately for conventional loans.

Deductible Requirements:

Loan Type	Hazard Insurance Deductible	Flood Insurance Deductible
Conventional	5% of the coverage amount	Not to exceed $10,000
FHA	5% of the coverage amount	Not to exceed $10,000
VA	5% of the coverage amount	Not to exceed $10,000
USDA	5% of the coverage amount	Not to exceed $10,000
FHA Sec. 184	2.5% or $2,500 (Higher of the two)	2.5% or $2,500 (Higher of the two)
Jumbo	2.5% or $2,500.00 (Higher of the two)	2.5% or $2,500.00 (Higher of the two)

Windstorm Insurance requirements:

- For structures located in the Texas First Tier Coastal Counties, building requirements are enforced through the Texas Department of Insurance (TDI) Windstorm Inspection Program to ensure eligibility for coverage through the Texas Windstorm Insurance Association (TWIA).
- Please note properties located in the designated catastrophe area in the state of Texas, also known as Texas Coastal Area often require an additional Windstorm insurance policy. See deductible requirements above.

Counties		
Aransas	Galveston	Matagorda
Brazoria	Harris (partial)*	Nueces
Calhoun	Jefferson	Refugio
Cameron	Kennedy	San Patricio
Chambers	Kleberg	Willacy

* When located inside city limits and east of Highway 146, the following portions of Harris County are also included: LaPorte, Morgan's Point, Pasadena, Seabrook, and Shore Acres.

Flood Determination Certificate

A FEMA Standard Flood Zone Determination Certificate with Life of Loan Monitoring is required in each file. The "Date of Determination" must be no more than 120 days before the Note date of the Mortgage. Gateway contractually uses CoreLogic Flood Data Services only. Clients not utilizing CoreLogic may receive conflicting flood insurance requirements and be required to obtain flood insurance per CoreLogic. Clients utilizing CoreLogic for this required initial determination, Gateway will waive it's $10 flood determination fee and continue monitoring under the original CoreLogic certificate. Please see transfer instructions below. Gateway Second Liens require a separate Flood Certificate.

- The Client must transfer the CoreLogic Life of Loan flood certificate to Gateway within five (5) business days from the date of purchase. The correct way to transfer is:
  - Servicer: 0002819028 (Gateway First Bank)
  - Subservicer: None
  - Investor: 0002819028 (Gateway First Bank)

Flood Insurance

If the Flood Zone Determination Certificate obtained shows any part of the principal structures securing the loan in a Special Flood Hazard Area, the file must contain:

- The Notice of Special Flood Hazards and Availability of Federal Disaster Relief Assistance that was provided to the borrower in accordance with the Flood Disaster Protection Act, and;
- Evidence of Flood Insurance, effective prior to the loan closing to meet National Flood Insurance Act, and in one of the following forms:
    - Copy of Flood Insurance Application with a paid receipt for the first year's premium; or
    - Flood Insurance Declarations Page (required in lieu of the Flood Insurance Application/Payment, if loan is seasoned more than 45 days from note date)
    - See the National Flood Insurance Act § 4012a. Flood insurance purchase and compliance requirements and escrow accounts for flood insurance effective date. https://www.fema.gov/sites/default/files/2020-07/national-flood-insurance-act-1968.pdf
- Notice to Borrower IN Special Flood Hazard Area must be signed and dated by the Borrower(s) at least 10 days Prior to Closing.

The Flood Insurance Carrier must be either a NFIP (National Flood Insurance Program) or a WYO (Write Your Own) https://nfipservices.floodsmart.gov/wyo-program-list or a private policy and additionally must meet all applicable investor/agency requirements and meet NFIP equivalent require coverage.

Note: Additionally, for all other loan programs Gateway may require a copy of the actual private policy in order to review the terms of said policy as needed (this will be mandatory for Fannie Mae and Freddie Mac loans).

General Flood Insurance Requirements:

- Flood Insurance is always waived when the CoreLogic Flood Cert does NOT require flood insurance. Borrower(s) choosing to purchase optional flood insurance are responsible for paying for their own flood insurance
- Mortgagee clause must read as set forth in Chapter 1 of this Guide.
- Proof of Coverage is Flood Declarations Page or Flood Application plus proof of payment of the first year's premium (cancelled check or paid receipt from flood company). ACORD forms are NOT acceptable. If the Declarations Page states it is an NFIP Policy or the carrier is on the list of WYO carriers, it is not a private policy. If Flood Policy is a private policy, the policy or endorsement must contain the applicable Compliance Aid Statement.
- The required coverage offered is the lesser of the following:
    - Must cover 100% of the loan amount (combined total outstanding principal balance of ALL loans); or
    - The maximum amount of coverage available under the NFIP (currently $250,000 per residential building); or
    - The insurable value of the residential building(s) which can be located on the hazard policy.
- There are no exceptions to covering the loan amount unless the loan amount is higher than the maximum amount of coverage allowed.
- Each liveable structure located in a SFHA must have an individual flood policy.
- Any borrower(s) listed on the loan are also to be listed as insured on the policy. If there are two borrowers listed, whether it is husband and wife, brother and sister, or two single people, etc., they all must be listed as insured on the declarations page.
- If Flood Policy includes the Flood Zone it must match from the Flood Determination Certification.
- Flood Policy effective date must be on or before the Note date (not the funding date) and must be good for 1 year after closing per the policy terms that are in effect as of the loan closing date. Loans with any gap in flood coverage are ineligible for purchase.
- For Purchase transactions, the first-year premium requires proof of payment (canceled check or paid receipt from flood company).

Flood Insurance *(continued)*

- Refinance transactions must have a policy term remaining of at least 30 days after closing. If the insurance is to expire within 30 days of closing or Gateway purchasing date, a paid receipt for the next years premium requires proof of payment (canceled check or paid receipt from flood company).
- Any policy that has not been paid prior to closing must be collected to pay in full at closing.
    - The deductible limit is not to exceed $10,000 unless a higher deductible is required per state on the flood insurance program.
    - Condo Master Policy deductible is not to exceed $25,000.
- For units in Condominium projects, the HOA must obtain a Master or Blanket policy of flood insurance covering the buildings and the associated contents if owned in common by the association members. Individual condominium unit coverage is generally not required if the Master policy meets all requirements.
- For units in PUDs, the PUD owner's association must obtain a Master or Blanket policy to cover any common element buildings and other common property located in a SFHA. This Master/Blanket policy is in addition to individual properties in a PUD.

Conventional - Flood Insurance Requirements:

- Flood insurance is required:
    - Dwellings in Special Flood Hazard Areas (SFHA) that are defined as Zones "A" or "V".
    - Properties in a Coastal Barrier Resource System or Otherwise Protected area require flood insurance, even if the property is not in a SFHA.
    - Properties not mapped by FEMA but the Lender is aware that the property is exposed to flood risks.
- FNMA and FHLMC will purchase loans that have no Flood Zone Map "None" or Flood Zone D. If the Lender is not aware of flood risk to the property and the zone is undetermined then flood insurance is not required.
- Properties that are not included in the NFIP Community are NOT eligible when flood insurance is required (when located in SFHA). Private Flood Insurance will not satisfy this requirement. Mortgage loans secured by properties in the Emergency Program of the NFIP are eligible for purchase by Fannie Mae and Freddie Mac with coverage equivalent to the NFIP maximum.
- General Compliance Aid Statement for private policy: "This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation."

FHA - Flood Insurance Requirements:

- A property is not eligible for FHA flood insurance if:
    - A residential building and related improvements to the property are located within SFHA Zone A, a Special Flood Zone Area, or Zone V, a Coastal Area, and insurance under the National Flood Insurance Program (NFIP) is not available in the community, or
    - The improvements are, or are proposed to be, located within a Coastal Barrier Resources System (CBRS)
    - Per FHA handbook 4000.1 – You must be able to verify if a property is or is not in a Special Flood Hazard Area (SFHA) or Coastal Barrier Resources System. This must be documented with a Flood Certification. If the Flood Certification indicates "None" as the Flood zone, FHA will not insure this property.
    - Properties that are not included in the NFIP Community are NOT eligible. Additional flood insurance coverage exceeding FHA's NFIP flood insurance coverage requirement can be obtained.
    - General Compliance Aid Statement for private policy: "This policy meets the definition of private flood insurance contained in 24 CFR 203.16a(e) for FHA insured mortgages."

Flood Insurance *(continued)*

USDA - Flood Insurance Requirements:

- USDA follows FHA guidelines with one difference. USDA does not require flood insurance on other detached structures that do not serve as a residence, such as sheds and garages.

VA - Flood Insurance Requirements:

- Per VA handbook (Chapter 9) – You must be able to verify if a property is or is not in a Special Flood Hazard Area (SFHA) or Coastal Barrier Resources System. This must be documented with a Flood Certification. If the Flood Certification indicates "None" as the Flood zone, you must further obtain evidence directly from FEMA or an Elevation Certificate (FEMA Letter of Map Amendment – LOMA; FEMA Letter of Map Revision – LOMR; FEMA National Flood Insurance Program – NFIP; Elevation Certificate – FEMA form 086-0-33)
- Properties that are not included in the NFIP Community are eligible if Private Flood Insurance is provided for those properties deemed to be within a Flood Zone.

HUD Sec 184 - Flood Insurance Requirements:

- If the Flood Zone Determination Certificate shows any part of the principal structures securing the loan in a Special Flood Hazard Area the file must contain Flood Insurance.
- When an area is not mapped, the tribe may request FEMA to map a specific area or an entire reservation.
- Absent a flood plain map, the appraiser must indicate that to the best of his/her knowledge the property is or is not in a flood plain. If the appraiser believes the property is in a flood plain, flood insurance must be obtained. If the appraiser will not provide an opinion on the issue, contact the tribal housing office for flood plain information. The Tribe/HA/TDHE may certify that the property is not in a flood plain.

Click here to access FEMA's Insurance Professionals and Lender FAQs.

PMI

An activated and accurate Mortgage Insurance Certificate is required on all Conventional loans with an LTV over 80%. Both the insurer and coverage must meet all applicable Investor/Agency and regulatory requirements. Please refer to the applicable Gateway Product Description for the current list of eligible mortgage insurers and product/plan/premium structures.

If the MI Certificate shows initial premium due, the amount due must be shown on the Closing Disclosure as being paid. If the MI Certificate also requires monthly premiums payable after closing, an escrow account must be established and reflected on the Initial Escrow Account Disclosure; any monthly premiums due or payable prior to the borrower's first payment must also be collected on the Closing Disclosure.

All loan information reflected on the MI Cert must match the loan terms and AUS findings, including but not necessarily limited to:

- the Borrower's name and property address
- the loan amount and loan term
- the appraised value and sales price
- coverage %

Remember to re-submit the loan and obtain an updated MI Certificate any time you resubmit an insured loan to AUS. This includes post-closing or pre-purchase AUS resubmissions. Files must contain a copy of the check for the initial MI premium due at closing, and the collection should be reflected on the Closing Disclosure. The file must also contain an accurately completed and executed Notice Regarding PMI Disclosure or, if applicable, LPMI Disclosure.

Government Loans

For HUD/FHA loans, the HUD required calculation must be used to determine any monthly MIP payments. (Caution: Simply multiplying the loan amount x .5 and dividing by 12 does NOT produce an accurate payment stream.) Click here to access HUD's MIP calculation formula.

Clients are responsible for submitting their own government loans for insurance/guaranty and for paying the upfront MIP/funding fees prior to purchase by Gateway. Loans must be insured/guaranteed within 60 days following the date of loan closing.

FHA, USDA, VA Upfront MIP or VA Funding Fee must be all financed or all not financed. Split premiums will not be allowed. Only cents can be paid in cash.

Closing Instructions

Closing Instructions (both general and loan specific) must be included in the file. In escrow states, the instructions must be signed by Closing Agent, Borrower(s) and Seller(s) if an Estimated Closing Disclosure was not executed. The Client's Closing instructions must provide specific instructions to the closing agent. To confirm the identities of the borrower(s) please provide an executed Patriot Act form or Customer Information form, including all other applicable investor, agency, and regulatory requirements.

W9

Each file must contain a completed W-9 for each Borrower.

Disclosures

It is the Clients responsibility to accurately prepare all applicable disclosures and provide them to the borrower(s) in the manner prescribed and in the time frames prescribed by local, state and federal laws and regulations. Gateway does not provide legal advice regarding the applicability or acceptability of specific disclosures. Clients should refer to their own legal counsel, compliance department and/or regulator for such advice.

Gateway will accept loans for purchase in which the borrower's disclosures electronically according to the requirements outlined by the Electronic Signatures in Global and National Commerce Act of 2000 (E-Sign). This also applies to FHA loans as long as the initial disclosures are not required as part of the insuring process. Gateway requires that Clients provide copies of all applicable local, state and federal disclosures in the closed loan package submitted to us for purchase.

Right of Rescission

Gateway will not purchase any mortgage if a waiver to a required rescission period was granted.

HMDA

It is required that the government monitoring information on the 1003 be completed on all files delivered to Gateway and that the interviewer completes the interview data section on the application. In addition, to determine if the race, ethnicity, and gender information is required, the "Method Application Taken" block must be completed.

HMDA *(continued)*

Closed loans underwritten by the Client and subsequently purchased by Gateway should be reported by the Client as an origination on its LAR. (Gateway will report the loan as a Code 71 "Loan Purchased" on its LAR). Clients may refer to "HMDA Reporting – Getting it Right" at www.ffiec.gov/hmda for additional information.

IRS Form 4506-C

An IRS Form 4506-C must be signed at the time of application and at closing for all borrowers, regardless of the borrower's employment status (i.e., self- employed, salaried, commissioned, bonus, retired, etc.). For self-employed borrowers, an additional signed IRS Form 4506-C for the business is required.

The forms must request validation of the IRS documentation provided by the borrowers and as required by the AUS findings and applicable investor/agency requirements. The IRS Form 4506-C signed at application must be processed, according to AUS requirements, for all borrowers prior to closing and the results included in the file when delivered to Gateway (not applicable to streamlines). If tax transcripts were not provided in the file when delivered, the IRS Form 4506-C signed at closing may be utilized by Gateway as part of its post-purchase Quality Control processes.

Effective March 1, 2023, the IRS is requiring the updated Form 4506-C (Rev 10-2022) to request borrower Tax Transcript records, utilizing an authorized Income Verification Express Service (IVES) for all loan programs. Third party vendors who are requesting transcripts on behalf of the clients/taxpayers will need to use the 4506-C (Rev 10-2022) form.

Gateway will accept the 4506-C signed at loan closing with your vendor IVES information or Gateway requested DataVerify vendor information. The IVES Section 5 MUST be completed and can no longer be left blank.

- Line 5a - IVES Participant Name: DataVerify or any Vendor utilized by you as the Lender (cannot be left blank, cannot be more than one company, cannot contain verbiage such as "Care Of" (c/o) or "Doing Business As" (DBA) or "It's successors or assigns" (ATIMA/ISOAOA)
- Street Address: 1651 NW Professional Plaza
- City: Columbus
- State: OH
- Zip Code: 43220
- Line 5aii: IVES Participant ID number (may be left blank)
- Line 5aiii: SOR Mailbox ID (may be left blank)
- Line 5b: Customer File Number (may be left blank)
- Line 5c: Unique Identifier (may be left blank)
- Line 5d: Client name, telephone number, and address (this field cannot be blank or not applicable NA or more than one company, cannot contain verbiage such as "Care Of" (c/o) or "Doing Business As" (DBA) or "It's successors or assigns" (ATIMA/ISOAOA)
- Line 6: *Use one 4506-C form for each type of tax form (1040, 1065, 1120) requested. Mark only one (1) box for 6a, 6b or 6c. DO NOT list W2 here.
- Line 7: *If Wage and Income transcript is needed, mark box.
- *NOTE: Either section 6 or section 7 must be requested; both sections CANNOT be completed on the same form.
- Line 7a: Enter Form Number (W-2, 1099, 1098, or 5498) requested. Enter ONLY ONE form number per 4506-C form. Only one borrower should be listed on the 4506-C form for W-2, 1099, or 5498 requests.

IRS Form 4506-C *(continued)*

- Line 7b: This can be left blank if only one borrower is listed on the form. If you choose to use a 4506-C form listing more than one borrower, mark only one box on Line 7b to indicate for which borrower the form is being requested.
- Line 8: Only list the years needed to accurately calculate the borrower's income in the format of MM/DD/YYYY.

If signing 4506-C electronically, a copy of the e-Consent and Audit Log must be included in the loan package. Additionally, the e-signature must not obscure any of the form verbiage.

If you do not use Gateway requested vendor information and the loan is pulled for a Gateway Post Audit and the submitted 4506-C is rejected by the IRS, Gateway will request an updated 4506-C with the IVES Participant DataVerify information or tax transcripts to be provide for the Gateway Post Audit.

A **Taxpayer Consent** form must be signed at closing for all borrowers. The form must provide the seller with express permission to share tax return information in accordance with the law. Not applicable if using URLA version date March 1, 2021

Borrower Identification

Borrower(s) executed USA Patriot Act Notice Disclosure is required to collect identifying information. In addition, the USA Patriot Act requires Customer Identification Program (CIP) Form or copy of ID (i.e., driver's license or passport) to confirm identity. At a minimum Gateway requires the CIP Form and/or driver's license in the loan file to confirm identity. Examples include legible non-expired identification for borrower(s), such as driver's license, passport, or social security card or legible non-expired Work Visa or Permanent Resident Alien for non-resident alien(s).

Address Confidentiality Program (ACP, or sometimes called Safe at Home Law) helps prevent an individual's actual address from being revealed in State government documents and files while still allowing the individual to receive and send mail. The individual can use a substitute address (PO Box is normal) on government issued documents like Driver's Licenses, Voter Registration, School Registration, etc. Lenders are required to notify the Agencies and Investors when a borrower advises of ACP enrollment. Borrower(s) will notify a lender when they are enrolled – you should not solicit this information. If a borrower notifies you of enrollment, obtain a copy of the Address Confidentiality Enrollment documentation with the enrollment date in the closed loan file to Gateway.

Borrower Contact Sheet

In order to facilitate servicing of the loan, Gateway requests that the Client have the Borrower(s) complete this Borrower Contact Information Sheet and include it in the loan file.

TRID Requirements

Gateway requires a true and certified copy of ALL issued Loan Estimates (LE) and Closing Disclosures (CD). ALL LEs and CDs provided must meet all investor/agency/regulatory and Gateway requirements, including but not limited to, the following:

- Borrower's name(s), property address and loan amount must be consistent with other documentation in file such as the Note, Security Instrument, 1003, AUS findings and Title Commitment/Policy. Purchase transactions must also include the sales price and otherwise reflect terms of the transaction consistent with the Sales Contract for the subject property.

TRID Requirements *(continued)*

- Home Loan Tool Kit - This should be delivered to the Borrower with the Loan Estimate. The Home Loan Tool Kit is required for all first lien purchase transactions. Either the Home Loan Tool Kit should be in the loan file or acceptable documentation showing it was delivered to the borrower(s) must be provided.
- Loan Estimate - The Initial Loan Estimate must be delivered no later than 3 business days after receiving the loan application. In addition, the Loan Estimate must be delivered 7 business days before the loan consummation. The 3 business days includes any day the client's office is open for business (typically Monday through Friday). The 7 business days includes all calendar days except Sundays and Legal Holidays. The initial LE must have a Closing Cost Expiration date.
- Change of Circumstance - Clients are only allowed to increase an estimated charge due to one of the six valid reasons noted in the rule. If an updated LE is issued the Initial LE, Updated LE and documentation explaining the change are required.
- Gateway Second Liens require separate TRID documents from the Gateway First Lien.
- Closing Disclosure
- Closing Disclosure - The Closing Disclosure must be received by the borrower no less than 3 business days before loan consummation. The 3 business days includes all calendar days except Sundays and Legal Holidays. If delivered in person, Gateway requires either the Closing Disclosure or an Acknowledgment Receipt signed by the Borrower. If mailed, an additional 3 business days for receipt from the mailing date will be added to confirm Borrower delivery. If electronic delivery, Gateway requires documentation supporting receipt of the CD and proof of the Borrower's consent to receive Disclosures electronically. Examples of documentation to support receipt include acknowledgment of receipt signed by every Borrower, separate courier receipt for overnight delivery to every Borrower, dated response from every Borrower specifically stating the Closing Disclosure was received electronically. These must be for each Borrower individually. Closing Disclosure also must be signed at the loan consummation. We strongly recommend the Closing Disclosure signed at consummation is marked "Final".
- The Closing Cost Worksheet (fee itemization) can only be issued prior to LE. Once LE is issued, all fee changes must be updated in LE and CD. Fee itemization must always be in the LE and CD. Additional documents showing fee breakdowns are not allowed.
- Changes After Initial CD Is Issued -- Gateway will require the CD be re-disclosed and a new 3 business day waiting period for the following changes:
- APR increases by more than .125% on fixed or .25% on ARM loans
- Loan program changes
- Hardship Waivers - Gateway will not purchase loans where the borrower has waived any of the required disclosure times.
- Post Consummation Cures - Tolerance cures must be completed within 60 calendar days after consummation. Gateway requires a copy of the following documents: Corrected CD, check to Consumer, Letter of Explanation to the Borrower and Overnight Label to the Borrower.
- Initial Escrow Account Disclosure must be properly completed and given at settlement for loans with monthly escrows/impounds. A two (2) month cushion should be used in the initial Escrow Account Disclosure unless state law requires a lesser cushion amount. If the loan has MI, monthly MI must be on the Initial Escrow Account Disclosure and match the MI certificate.
- Interest Credits at closing are allowed but cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.
- If escrows are collected on the CD, the escrow balance will be net funded from the Purchase Advice.
- For refinances, payoff statements must be provided to support any mortgages paid off on the CD.
- For refinances, subordination agreements must be provided to support any CD charges or entries related to subordinating an existing mortgage.
- In addition to Primary Residence, TRID rules apply requiring Loan Estimate and Closing Disclosure for ALL Second Homes and Investment Properties.

Underwriting Documentation

Underwriting Methods

Refer to the applicable Gateway Product Description and Overlay Matrix for underwriting method and AUS requirements and limitations.

Underwriting Approval

Each file submitted to Gateway must include a signed underwriting approval that matches the terms of the loan and the AUS (if applicable) findings. Any of the following forms will be accepted as approval:

- 1008 Transmittal Summary
- HUD-92900-LT (FHA loans only)
- VA 26-6393 Loan Analysis (VA loans only)
- Mortgage Credit Analysis Worksheet Form HUD-50132 (Section 184 loans only)
- If contract underwritten, the approval cannot reference Gateway. It must show the Correspondent Client as the sole contract underwriting client. The Client must also document in the file that the contract underwriter is properly licensed if required to be licensed by any applicable regulator.
- See Chapter 7 for additional Underwriting requirements

Non-Delegated loans submitted to Gateway for underwriting may be charged a $250 underwriting fee when it's determined the client has excessive non-delegated underwrite declines and/or cancellations.

AUS Findings

Each loan file must include the most current AUS Findings that reflect the terms of the loan as approved AND closed. AUS Findings that include a potential red flag message must be accompanied by an acceptable written explanation.

The file must contain all the necessary documentation to show that the loan passes all the eligibility and underwriting tests performed by AUS (as applicable) and that any verification messages or approval conditions specified on the findings have been satisfactorily resolved. Terms and conditions of the closed loan must match the data on which the AUS findings were based. All documentation required by the AUS or Gateway's Overlay Matrix must be provided and must be acceptable to Gateway.

The file must contain documentation evidencing that any findings generated through DO have been final released to Gateway.

AUS re-submissions by the Client prior to delivery to Gateway are permitted only if required by the applicable investor/agency and if completed in accordance with the investor/agency's re-submission requirements. If the Client re-submits the loan to the AUS after closing, the final re-submitted AUS finding must also be included in the loan file, along with the final AUS finding run prior to closing.

Once delivered to Gateway, all loans may be subject to 100% validation audit (at a minimum to include data integrity) as well as pre-funding or post-funding audits by Gateway. Any inconsistencies in the data and/or documentation may result in Gateway requiring the Client to have the Loan re-underwritten by AUS (as applicable) and may result in non-fund, suspense, or repurchase. ONCE DELIVERED, DO NOT RE-RUN THE AUS WITHOUT GATEWAY'S SPECIFIC INSTRUCTION TO DO SO.

Manual Underwriting

Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, USDA, FHA or VA loans that have been manually underwritten by a Client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by USDA, FHA and VA and are subject to further restrictions as described in the underwriting section of Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion.

Compensating factors and underwriter justification must be included on 92900LT, Loan Analysis, or IRRRL Worksheet documentation. DU or LP "Refer" findings must be included in the loan file

Income Calculation Worksheet

A full and detailed explanation of how the underwriter calculated the stable monthly qualifying income must be included. For borrowers who are self-employed or that receive income from real estate activities, a Self-Employed Analysis Worksheet - FNMA 1084 form must be used. For other borrowers, the income calculation can be defined on the 1008 or on a separate worksheet, provided it must be detailed and clearly document how the income was calculated.

Verbal VOE

The date of the final VVOE may be no more than:

- FHA & VA - 10 Calendar days prior to the Note date on employed borrowers
- USDA & Conventional - 10 Business days prior to the Note date on employed borrowers
- Self-employed borrowers
    - FNMA/FHLMC: 120 days
    - USDA/FHA/VA: 30 days
- HUD 184 loans require the VVOE to be completed within 2 days of Note date.
- https://www.timeanddate.com/date/workdays.htm

Conversation must be fully documented on the Lender's Verbal VOE form. It should include the following information:

- Name and Title of the employee who verbally verified employment and completed the Verbal VOE.
- Name and Title of the person who provided verification for the employer.
- Date of the call.
- The source (telephone book, internet, etc) of the phone number.

If the employer uses a third-party employment verification vendor (e.g. The Work Number), a verification from the vendor of the borrower's current employment status within 10 business days should be obtained, if possible.

Blanket Authorization

A blanket "Borrower's Authorization and Certification" is required on all loans and must be signed by all borrowers. It is used by the originating Client to verify information contained in the application and must also allow the Client's successors or assigns (e.g., Gateway) to re- verify information contained in the file for quality control purposes.

Non-Purchasing Spouse Credit Authorization

All loan programs with a Non-Purchasing Spouse that require NPS credit pulled, will also require the NPS to authorize their own credit report pull. A Borrower cannot authorize credit pulled for their spouse. The credit authorization can be obtained either signed by NPS or by Lender Attestation.

- Non-Purchasing Spouse signed Credit Authorization form that details:
  - NPS Name, Signature, and Date
  - Authorizes approval of mortgage credit for spouse mortgage loan application.
- Obtained verbally and recorded with a Lender Attestation form that details:
  - Individual name the Lender spoke with
  - How was the authorization received (ie. phone or in person)
  - If Phone # used to contact the individual
  - Date of the authorization
  - What was authorized (ie. mortgage credit pulled for NPS purposes)

Overlays

All loans must fully comply with all requirements of Freddie Mac, Fannie Mae, FHA, ONAP Section 184, VA, USDA, Veterans Land Board (TVLB), and all Specialty Loan Programs as applicable, unless specified in the applicable Product Description or Correspondent Overlay Matrix.

UCDP

For conventional loans, the UAD Submission Summary Report from Fannie Mae and Freddie Mac must be included. In addition, we recommend Client Underwriter provide written documentation addressing the UAD Summary Report findings with CU Scores => 2.5. This does NOT remove your Client Contract reps and warrants to deliver Agency salable loans but does assist Gateway and Agency post-purchase loan audits.
Gateway UCDP Aggregator ID: AAZ008

UCD

For Conventional loans, the UCD Submission Summary Report from Fannie Mae and Freddie Mac must be included. If the conventional loan has DU Findings, the Casefile ID on the UCD Findings Must Match the Casefile ID on the DU Findings.

LQI Checks

Delegated Clients are responsible for documenting ALL loan files to evidence compliance with applicable Agency guidelines. This includes, but is not limited to reverification of employment, updated credit report prior to closing, related parties search, verification on MERS regarding borrower and property liens, third party fraud checks prior to closing, social security number verification results, and data integrity check for latest AUS findings. Gateway will perform the LQI Check for all Non-Delegated loans.

Effective October 15, 2025, a Fraud Report from any Vendor with Alerts cleared is required to be provided in each delegated loan file. Loan files submitted without a Fraud Report will be conditioned for a Fraud Report or approval requesting Gateway to pull a Fraud Report for a $10.00 Fraud Report Fee. The $10.00 Fraud Report Fee would be added to the Purchase Advice.

Post-Purchase Documentation

General

Within one hundred twenty (120) days of loan purchase, Gateway must be in receipt of all required post-purchase documents or loans are subject to repurchase. Gateway will consider extension of this 120-day requirement, in 30-day increments, only in cases where the delay can be documented as solely attributable to the delays or turn times of the applicable jurisdictional recording office. **Loans aged one year from loan purchase with outstanding documentation will require the client to repurchase the loan(s). Beginning on Day 121 and every 30 days thereafter, Gateway charges $100 per file for late document delivery fees when extensions are granted. Extension request must be submitted in writing to a Regional Sales Manager and contain a business justification and expected date for providing the required documentation.**

Final documents should be sent to the address specified in Chapter 1 of this Guide, with Gateway's loan number clearly displayed in the upper right-hand corner of each document.
When Gateway requires corrections to those final documents, the Client agrees to correct and post-purchase documents within fifteen (15) calendar days after being notified by Gateway.

Post-Purchase Documents

The following Post-Purchase documents are required:

- Original recorded or County Certified Mortgage or Deed of Trust (Security Instrument) and all applicable Riders
- Original recorded or County Certified Correction Affidavit, if any
- Copy of recorded Deed transferring title on all purchase transactions
- Copy of recorded specific power of attorney or copy of power of attorney with origination recording receipt, if applicable
- Original recorded intervening assignments, if any
- Original title insurance policy and all applicable endorsements
- Any corrections and/or endorsements requested by Gateway as a result of our document review Insuring/Guaranty/Guarantee documents (e.g., MIC, LGC, LGN)

Post-Purchase Actions

Clients are also responsible for the following post-purchasing actions:

- Deliver a copy of the combined Notice of Assignment, Sale or Transfer of Servicing Rights to the borrower(s) at least fifteen (15) days prior to the effective date of the loan transfer (date last payment is collected or Gateway purchase date if no payments being collected by the Client). The Notice should not be provided to the borrower(s) until the Client is in the receipt of the Purchase Advice from Gateway. The Notice must provide the borrower with the information conforming to the Model Form in Appendix MS-2 of Regulation X (RESPA), with the following contact information for Gateway First Bank as the new servicer ("Transferee"):

Payment Processing:	PO Box 21044, Tulsa, OK 74121
Business Address:	244 South Gateway Place, Jenks, OK 74037-3448
Toll-free Number:	(877)764-9319
Hours of Operation:	Monday through Friday 7:30 AM – 5:30 p.m.CT
QWR Address:	PO Box 974, Jenks, OK 74037-0974 Attn: Chief Compliance Officer

Post-Purchase Actions (continued)

Gateway Servicing Team sends the Welcome Letter to the borrower within 8 days after we purchase the loan.

- Complete delivery of a Flood Policy with mortgagee clause reading as set forth in Chapter 1 of this Guide within 3 business days following the service release date.
- Mail Loan Sale and Servicing Transfer Notice to insurers, including but not necessarily limited to:
  - Hazard, including fire, wind, condominium or PUD master and HO-6
- MI on Conventional loans:
  - Complete Loan Sale and Servicing Transfer at the insurer's website.
- Complete MERS transfer of servicing and beneficial interest transactions (TOSR/ TOB) within three (3) business days of purchase.
- Complete FHA Connection transfer to show Gateway as the servicer and holder, within three (3) business days following service release date.
- Complete VA WebLGY for transfer to show Gateway as the servicer and holder, within three (3) business days following service release date.
- Complete USDA Form 3555-18 and email to USDA for transfer to show Gateway as the servicer and holder, within three (3) business days following service release date.
- Complete HUD 184 Form and email to HUD 184 for transfer to show Gateway as the servicer and holder, within three (3) business days following service release date.
- The Client must transfer the CoreLogic Life of Loan flood certificate to Gateway within five (5) business days from the date of purchase. The correct way to transfer is:
  - Servicer: 0002819028 (Gateway First Bank)
  - Subservicer: None
  - Investor: 0002819028 (Gateway First Bank)

- Complete insuring/guaranty/guarantee processes within sixty (60) days of closing but no later than the first payment due date; completion includes update of all applicable insurer/guarantor systems.
- Post-Transfer Payments (Mail a check with a memo stating loan number, borrower name, dollar amount and exactly where the funds should be applied):
  Gateway First Bank, Correspondent Lending | Attn: Servicing
  244 South Gateway Place, Jenks, OK 74037-3448

Clients must provide the Year-End 1098 to the borrower for pre-paid interest collected at closing, any points paid at closing, and any interest paid by the Borrower to the lender prior to purchase by Gateway.