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Information contained herein is provided to assist real estate professionals and is not an advertisement to extend consumer credit as defined by Section 226.2 of Regulation Z.

## **6.0 Representations and Warranties**

6.1 Seller represents and warrants to Purchaser as follows, as of and from the date of this Agreement and continuing at all times during the existence hereof:

6.1.1 Seller is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization, as applicable. Seller is duly qualified and in good standing to do business in each jurisdiction in which the conduct of its business or the ownership or leasing of its assets so requires.

6.1.2 Seller has the full power and authority to enter into and consummate all transactions contemplated by this Agreement, has duly authorized the execution, delivery and performance of this Agreement, and this Agreement constitutes a legal, valid and binding obligation of Seller enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, and other laws affecting creditors' rights generally.

6.1.3 The execution, delivery and performance of this Agreement by Seller, its compliance with the terms and conditions hereof, and consummation of the transactions contemplated hereby shall not violate, conflict with, or result in a breach of any provisions of its organizational documents, any instrument relating to the conduct of its business, or any other agreement to which it may be a party.

6.1.4 Seller possesses all federal, state and local licenses, permits, registrations and other authorizations of governmental authorities required for the conduct of its business with respect to the Mortgage Loans, including but not limited to state mortgage lending licenses in those jurisdictions where such licenses are necessary for the conduct of Seller's business, or Seller qualifies for, and has taken all steps necessary to secure, exemptions from such license, permit, registration and authorization requirements. Seller satisfies all requirements necessary to maintain each such license, permit, registration and other authorization in good standing, and all such licenses, permits, registrations and other authorizations are in good standing. Seller has not received any notice that revocation is being considered with respect to any of such licenses, permits, registrations, other authorizations or exemptions.

6.1.5 Seller maintains all insurance, both types of coverage and amounts, that is required pursuant to the Applicable Requirements and that is customary for parties engaged in the mortgage lending business, including without limitation errors and omissions insurance and fidelity bond coverage.

6.1.6 There is no litigation, suit, claim, demand, proceeding or governmental investigation existing or pending, or to the knowledge of Seller threatened, or any order, injunction or decree outstanding, against or relating to Seller or its assets that could have a materially adverse effect upon a Mortgage Loan purchased by Purchaser hereunder or the performance by Seller of its obligations hereunder.

6.1.7 All financial statements previously provided by Seller to Purchaser present fairly in all material respects the financial condition of Seller as of the respective dates of the statements, and for the respective periods covered by the statements, and were prepared in accordance with generally accepted accounting principles applied on a consistent basis.

6.2 In connection with each Mortgage Loan submitted by Seller to Purchaser or its designee for underwriting review hereunder, and each Mortgage Loan submitted to Purchaser for purchase hereunder, Seller represents and warrants to Purchaser, as of the time of submission of the loan to Purchaser or its designee for underwriting, the time of origination of the loan and the time of submission of the loan to Purchaser for purchase, as applicable, as follows:

6.2.1 The Mortgage Loan was originated in accordance with, and is in full compliance with, all Applicable Requirements, including without limitation, the federal Truth-in-Lending Act and Regulation Z thereunder, the federal Equal Credit Opportunity Act and Regulation B thereunder, the federal Real Estate Settlement Procedures Act and Regulation X thereunder, the federal Home Mortgage Disclosure Act and Regulation C thereunder, the federal Fair Credit Reporting Act and any applicable regulations thereunder, the federal Fair Housing Act and regulations thereunder, the federal Alternative Mortgage Transactions Parity Act (12 U.S.C. § 3801 *et seq.*) and the applicable regulations thereunder, the privacy provisions of the federal Gramm-Leach-Bliley Act and the applicable regulations thereunder, and all state laws and regulations similar to such acts, provisions and regulations.

6.2.2 If the Mortgage Loan was closed, the full principal amount of the Mortgage Loan has been advanced to the Mortgagor and there is no requirement to make future advances thereunder, or if advances that are optional on the part of the noteholder are provided for under the terms of the Mortgage Loan, no such advances have been made.

6.2.3 The Note, Mortgage and all other loan documents required to be provided to Purchaser in connection with the Mortgage Loan are genuine. To the extent that Purchaser requires that it be provided with the original of a document or instrument, the document or instrument provided is the original, and all copies of documents or instruments provided are true and correct copies of the originals. All signatures on the Note, Mortgage and all other loan documents are genuine.

6.2.4 The Mortgage Loan is current and is not and has not been in default, and the loan has not been brought current using Seller's funds. Seller has no knowledge of any detrimental factors relating to the credit-worthiness of the Mortgagor, the Mortgaged Property or any other material aspects regarding the Mortgage Loan that may cause a secondary market investor to regard the Mortgage Loan as being unacceptable for investment or inclusion in a loan pool, cause the Mortgage Loan to become delinquent, or otherwise adversely affect the value or marketability of the Mortgage Loan or the servicing rights thereto.

6.2.5 There are no defaults now existing in any of the documents evidencing or securing the Mortgage Loan, and there are no events which, with notice or the passage of time, could constitute such a default.

6.2.6 Seller has good title to the Mortgage Loan, including without limitation Note, Mortgage and the servicing rights to the Mortgage Loan, and authority to transfer and assign the same free and clear of any and all liens, claims, security interests, other interests or encumbrances of any kind. Upon the sale and transfer of a Mortgage Loan from Seller to Purchaser hereunder, Purchaser shall have good and marketable title to the Mortgage Loan free and clear of any and all liens, claims, security interests, other interests or encumbrances of any kind.

6.2.7 Unless the Manual expressly provides that title insurance is not required for the particular type of Mortgage Loan, (a) the Mortgage Loan is, or no later than the time of settlement will be, covered by an ALTA lender's mortgage title insurance policy that is in an amount and form acceptable under the Applicable Requirements, and insures or will insure the mortgagee, its successors and assigns, as to the first or second lien priority, as applicable, of the Mortgage in the original principal amount of the Mortgage Loan, (b) the title policy is or will be issued by a title insurer acceptable to Fannie Mae and Freddie Mac, (c) the mortgagee, its successors and/or assigns, is or upon issuance will be the named insured and the sole insured of such mortgage title insurance policy and (d) Seller has not done, by act or omission, anything that would impair the coverage of such mortgage title insurance policy. There are no mechanics' or similar liens or claims that have been filed for work, labor or material, and no rights are outstanding that under law could give rise to such a lien, affecting the Mortgaged Property that are or may be liens prior to, or equal or coordinate with, the lien of the related Mortgage.

6.2.8 All improvements upon the Mortgage Property are, or no later than the settlement of the Mortgage Loan will be, insured against loss by fire, hazards of extended coverage, and such other hazards as is customary in the area in an amount that is at least equal to the outstanding principal balance of the Mortgage Loan or the full replacement value of the Mortgaged Property, whichever is greater, subject to Applicable Requirements that limit the amount of such insurance that may be required. The insurance policy is or shall be in a form that is acceptable under the Applicable Requirements, and is or shall be issued by an insurer that is acceptable to Fannie Mae and Freddie Mac. If the Mortgaged Property is in an area identified by the Federal Emergency Management Agency as having special flood hazards, then the Mortgaged Property is, or no later than the time of settlement the Mortgaged Property will be, covered by a flood insurance policy that is or shall be in a form, and is or shall be issued by an insurer, acceptable to Fannie Mae and Freddie Mac, and the policy is or shall be in an amount that is at least equal to (a) the outstanding principal balance of the Mortgage Loan or, for a second lien Mortgage Loan, the aggregate outstanding principal balance of the Mortgage Loan and all superior mortgage loans, or (b) the maximum amount of insurance that is available under the Flood Disaster Protection Act of 1973, whichever is less.

6.2.9 The Mortgage is, or upon recordation shall be, a valid, subsisting and enforceable lien on the related Mortgaged Property, including all improvements on the property, and all additions, alterations and replacements made at any time to such improvements. Additionally, (a) the Note and Mortgage are each the legal, valid and binding obligation of the Mortgagor, enforceable

in accordance with its terms and applicable laws; (b) without limiting the foregoing, all parties to the Note and the Mortgage had legal capacity to enter into the Mortgage Loan and to execute and deliver the Note and the Mortgage, and the Note and the Mortgage have been duly and properly executed by such parties; (c) the terms of the Note and Mortgage have not been impaired, waived, altered or modified in any respect; (d) the Note and Mortgage are not subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, nor will the operation of any of the terms of the Note or Mortgage, or the exercise of any right under either of them, render the Note or Mortgage unenforceable, in whole or in part or subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, and no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto; (e) there is no default, breach, violation or event of acceleration existing under the Note or Mortgage and no event that with the passage of time, or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration; and (f) the Mortgage has not been satisfied, canceled or subordinated, in whole or in part, or rescinded, and the Mortgaged Property has not been released from the lien of the Mortgage, in whole or in part, nor has any instrument been executed with respect to any such release, cancellation, subordination or rescission. If the Mortgage is a deed of trust, a trustee, duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named in the Mortgage.

6.2.10 The obligation evidenced by the Note and secured by the Mortgage is not usurious or in violation of any law which governs the rate or amount of interest which can be charged or paid on the obligation.

6.2.11 With regard to a first lien conventional Mortgage Loan, if Purchaser specifies that the particular type of loan must have private mortgage insurance when the loan to value ratio at the time of origination exceeds a certain amount, and the loan to value ratio for the Mortgage Loan exceeded, or will exceed, such amount at such time, a private mortgage insurance policy has, or no latter than the settlement of the loan, shall be obtained from a private mortgage insurance company that is acceptable to Fannie Mae and Freddie Mac, and the form of the policy is or will acceptable under the Applicable Requirements, and nothing has been done or omitted that would invalidate the private mortgage insurance. If a Mortgage Loan has been or will be originated as an FHA insured loan or a VA guaranteed loan, then the Mortgage Loan is in fact insured by the FHA or guaranteed by the VA, and the insurance or guaranty is in full force and effect, or a mortgage insurance certificate or loan guaranty certificate will be issued by the FHA or VA, respectively, in connection with the Mortgage Loan in the normal course of business, as applicable.

6.2.12 For Mortgage Loans originated or to be originated as first lien loans, the lien of the Mortgage is, or upon recordation of the Mortgage will be, subject only to (a) the lien of current real property taxes and assessments not yet due and payable, (b) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording being acceptable to mortgage lending institutions generally and, if a lender's title policy is required for the particular Mortgage Loan, specifically referred to in the lender's title insurance policy delivered or to be delivered to Purchaser that (i) are referred to or otherwise considered in the appraisal made for the related Mortgaged Property, or (ii) do not adversely affect the appraised value of the Mortgaged Property as set forth in such appraisal, and (c) other matters to which like properties are commonly subject that do not materially interfere with the benefits of the security intended to be provided by the

Mortgage or the use, enjoyment, value or marketability of the Mortgaged Property. For any Mortgage Loan, there are no unpaid taxes, ground rents, water charges, sewer rents, assessments or other outstanding charges affecting the lien of the Mortgage or, for a Mortgage Loan that has not closed, at the time of settlement there shall be no unpaid taxes, ground rents, water charges, sewer rents, assessments or other outstanding charges affecting the lien of the Mortgage.

6.2.13 The improvements on the Mortgaged Property were completed in full compliance with the rules and regulations of any governmental authority or agency having jurisdiction thereof and such improvements comply with such rules and regulations. All improvements that were considered in determining the appraised value of the Mortgaged Property lay wholly within the boundaries and building restriction lines of the property and no improvements on adjoining properties encroach upon the property. The Mortgaged Property is free of damage and waste and there is no proceeding pending for the total or partial condemnation thereof. To Seller's knowledge, with respect to the Mortgaged Property the Mortgagor is not in and has not been in violation of, no prior owner of such property was in violation of, and the property does not violate any standards under, applicable statutes, ordinances, rules, regulations, orders or decisions with regard to pollutants, hazardous or toxic substances, waste or contaminants, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, Federal Water Pollution Control Act, Clean Air Act, and Toxic Substances Control Act, as such laws are amended and supplemented from time to time and any analogous federal, state or local statutes and regulations.

6.2.14 The Mortgaged Property consists of a single parcel of real property with a detached single family residence erected thereon, or an individual condominium unit in a structure, or an individual unit in a planned unit development, and is not a mobile home or a manufactured home.

6.2.15 No waiver of the requirement for an escrow, impound or similar deposit account has been granted, except where specifically required by state law or where Purchaser expressly approved the waiver in writing in connection with its approval of the Mortgage Loan as being eligible for purchase. The amount collected at closing, and the amount of the monthly payment required to be made by the Mortgagor, for deposit in the such an a account are sufficient to pay the appropriate bills when due.

6.3 Purchaser represents and warrants to Seller as follows, as of and from the date of this Agreement and continuing at all times during the existence hereof:

6.3.1 Purchaser is duly organized, validly existing and in good standing under the laws of the state of its organization. Purchaser is duly qualified and in good standing to do business in each jurisdiction in which the conduct of its business or the ownership or leasing of its assets so requires.

6.3.2 Purchaser has the full power and authority to enter into and consummate all transactions contemplated by this Agreement, has duly authorized the execution, delivery and performance of this Agreement, and this Agreement constitutes a legal, valid and binding obligation of

Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, and other laws affecting creditors' rights generally.

6.3.3 The execution, delivery and performance of this Agreement by Purchaser, its compliance with the terms and conditions hereof, and consummation of the transactions contemplated hereby shall not violate, conflict with, or result in a breach of any provisions of its organizational documents, any instrument relating to the conduct of its business, or any other agreement to which it may be a party.

6.3.4 Purchaser possesses all federal, state and local licenses, permits, registrations and other authorizations of governmental authorities required for the conduct of its business with respect to the Mortgage Loans, including but not limited to state mortgage lending licenses in those jurisdictions where such licenses are necessary for the conduct of Purchaser's business, or Purchaser qualifies for, and has taken all steps necessary to secure, exemptions from such license, permit, registration and authorization requirements.

6.3.5 There is no litigation, suit, claim, demand, proceeding or governmental investigation existing or pending, or to the knowledge of Purchaser threatened, or any order, injunction or decree outstanding, against or relating to Purchaser or its assets that could have a materially adverse effect upon the performance by Purchaser of its obligations hereunder.

### **7.0 Information Regarding Seller and Related Provisions**

7.1 Seller shall provide Purchaser with (a) its most recent financial statement (and those of its parent company, if applicable), and such other financial statements on an annual basis (b) such other information regarding Seller as Purchaser may reasonably request from time-to-time, including without limitation information regarding Seller's qualifications, licenses, permits, registrations, other authorizations or exemptions necessary for Seller to perform under this Agreement.

7.2 Seller shall immediately notify Purchaser upon learning, or having reason to believe, that: (a) any information previously provided to Purchaser hereunder with regard to a Mortgage Loan is not true, correct or complete, or (b) any governmental agency that has granted Seller a license, permit, registration, other authorization or exemption necessary for Seller to perform under this Agreement has made an adverse finding, or taken an adverse action, with regard to Seller or any of its assets, owners, directors, officers, partners, employees or agents. Seller agrees to notify Purchaser immediately of any changes that would prohibit Seller from complying with any provisions of this Agreement.

**8.0 Purchaser and Seller; Non-Solicitation**

8.1 Seller shall not disclose or use any information or materials of or regarding Purchaser or its business, including without limitation, the Manual, forms, disclosures, pricing information, underwriting standards, Mortgage Loan products or types, investors or other purchasers of Mortgage Loans, information regarding computer software or credit evaluation or scoring systems and other information and materials provided to Seller by Purchaser in connection with this Agreement, to any individual or entity except to the principals, directors, officers, employees and agents of Seller who are required to have knowledge of or use such information or materials in the course of Seller's exercise of its rights and obligations under this Agreement. Seller acknowledges and agrees that all such information and materials are the property of Purchaser. Upon termination of this Agreement for any reason, Seller agrees promptly to return to Purchaser all of such information and materials provided to Seller, to refrain from disclosing any of such information to any individual or entity, and to take all necessary steps to discontinue immediately its use of such information and materials. Seller also shall not disclose the terms, conditions and agreements of or related to this Agreement to any individual or entity except to the principals, directors, officers, employees and agents of Seller who are required to have knowledge of or use such information in the course of Seller's exercise of its rights and obligations under this Agreement. Seller shall cooperate with Purchaser in enforcing the provisions of this Section against any unauthorized use or disclosure of any information or materials described in this Section by present or former principals, directors, officers, employees or agents of Seller. This Section shall not restrict the ability of Seller to disclose information to the extent required by applicable law, including without limitation by a subpoena or order issued by an appropriate authority.