

BULLETIN
SINGLE-FAMILY SERVICING APPLICATIONS

This Bulletin is issued in accordance with the section of your Fannie Mae Software Subscription Agreement (the “Agreement”) entitled “Issued Bulletins; Amendments,” and amends and restates the Single-Family Servicing Applications Schedule (the “Old SF Servicing Applications Schedule”) in its entirety as set forth in the attached Single-Family Servicing Applications Schedule (the “New SF Servicing Applications Schedule”). All terms not defined in the New SF Servicing Applications Schedule are defined in the Agreement.

In addition to minor edits, such as the renumbering of sections, the New SF Servicing Applications Schedule includes the following changes:

SECTION/ TITLE	OLD SECTION/ TITLE (if amended)	DESCRIPTION OF CHANGE
1— <u>Licensed Application</u>	—	REO Integration was added as a Licensed Application. References to Loan Quality Connect and Servicer (REAM) Deficiency Billing System (SRDBS) were deleted as both of those applications have been retired.
1.d	—	A description of the functionality provided by the REO Integration application was inserted.

Software Subscription Agreement

SINGLE-FAMILY SERVICING APPLICATIONS Schedule

Part I

LICENSED APPLICATION/ADDITONAL TERMS

1. Licensed Application. Fannie Mae licenses to Licensee the following applications: ARM Index Value, Asset Management Network™ (with Home Saver Solutions Network™, File Transfer Portal, REO Notification and AMN REO Property Information), Cash Remittance System, eBoutique™, eTransfers, Fannie Mae Invoicing, Fannie Mae Connect™, HomePath® for Short Sales, Loan Quality Connect, MBS Online Reports Service, MBS Reporting, Message Manager, REO Integration, Servicer's Reconciliation Facility™ (SURF™), Servicing Management Default Underwriter™ (SMDU™), Servicing Management Portal, Loan Servicing Data Utility (LSDU) and Streamlined Mod Non-Eligible List (each, a "**Licensed Application**") pursuant to this Schedule and the Master Terms and Conditions between Fannie Mae and Licensee (the "**Master Terms**") into which this Schedule is incorporated (together, the "**Agreement**"). As of the effective date of this Schedule, these applications provide certain loan servicing-related functionality, including functionality related to
 - a. ARM index values;
 - b. loan delinquencies and loss mitigation;
 - c. REO properties;
 - d. pre-foreclosure property inspections and preservation;
 - e. remittances to Fannie Mae;
 - f. servicing of reverse mortgages owned by Fannie Mae;
 - g. servicing transfers; charges and claims submitted by Fannie Mae;
 - h. short sales;
 - i. MBS pools;
 - j. MBS security balances;
 - k. requests for loan quality documentation;
 - l. homeowner's association and tax deficiency bills;
 - m. reconciliation tasks;
 - n. workout recommendations for delinquent loans;
 - o. operational reports and document management;
 - p. viewing and submission of loan activity;

- q. reconciliation of loan and cash positions; and
 - r. eligibility for streamlined modifications.
2. ARM Index Value. The following terms apply with regard to ARM Index Value (the “Licensed Application” under this Section):
- a. Restrictions on Use. ARM index value information is provided solely for Licensee’s convenience and not for purposes of verifying the accuracy of or determining a correct index value or interest rate.
 - b. Disclaimer. Without limiting the generality of the warranty disclaimers in the Master Terms Section entitled “Disclaimer,” Fannie Mae has no liability or responsibility for errors or omissions in, or any liability in connection with the use, misuse or release of, ARM index value information. The sources for each index are provided so that lenders may confirm the accuracy of the index values provided. Fannie Mae takes no responsibility for the selection of the correct index.
3. Cash Remittance System (CRS). The following term applies with regard to Cash Remittance System (the “Licensed Application” under this Section):

To use the Licensed Application, Licensee must specify the manner in which it will provide payment of remittances owed to Fannie Mae by completing either the Drafting Authorization Form, allowing Fannie Mae to draft Licensee’s designated account for such remittances, or the Credit Card Payment Authorization Form, allowing Fannie Mae to process an automatic monthly charge to a credit/charge card specified by Licensee.

4. eTransfers. The following term applies with regard to eTransfers (the “Licensed Application” under this Section):

Licensee must ensure that the proper Licensee personnel review and approve information related to loan servicing transfers prior to submitting the transfer to the Licensed Application.

5. Fannie Mae Invoicing. The following term applies with regard to Fannie Mae Invoicing (the “Licensed Application” under this Section):

In the “Definitions” Section of the Master Terms, the definition of “Authorized User” is replaced with the following:

"Authorized User" means any (a) employee (b) contractor that is actively handling claims processing for Licensee or (c) system, who or that is registered by Licensee (or by Fannie Mae on Licensee’s behalf), to use the Licensed Application and has been issued an active Authentication Credential. Licensee agrees that actions of Authorized Users are deemed to be actions of Licensee.

6. Lender Contract. Except as set forth in the Section of Part II of this Schedule entitled “Limited Waiver,” Licensee’s obligations related to its performance of servicing (and related charges) and repurchase are as set forth in the Lender Contract, as it may be modified and amended from time to time. Conflicts between the Licensed Application and the Fannie Mae Servicing Guide, as amended, restated, supplemented or otherwise modified from time to time, or other portions of the Lender Contract will be resolved in favor of the Fannie Mae Servicing Guide or other portions of the Lender Contract, including loan servicing requirements.
7. Indemnification. Licensee’s obligation to indemnify Fannie Mae as established in the Master Terms include indemnification in the event of any breach of Section 2 of Part I and 3 through 5, 7, 9, 10, 13, 14, 16 or 18 of Part II of this Schedule.

8. Survival. In addition to the provisions referred to in the Section of the Master Terms entitled “Survival,” any provision of this Schedule that contemplates its continuing effectiveness, including Sections 2 and 7 of Part I and Sections 4, 5, 7, 8, 12-14, 17 and 18 of Part II of this Schedule will survive any termination of this Schedule or the Agreement.

Part II

SERVICING MANAGEMENT DEFAULT UNDERWRITER

1. Additional Terms. The additional terms and conditions in this Part II apply to the Licensed Application known as Servicing Management Default Underwriter, or SMDU (the “Licensed Application” under this Section).
2. Definitions. The following terms are used in this Part II as defined below:

“**Client Servicer**” means any entity that (a) services Fannie Mae Loans, (b) has entered into a Software Subscription Agreement directly with Fannie Mae by which it is licensed to use the Licensed Application, and (c) has retained Licensee to act as a service bureau or subservicer in support of its mortgage servicing activities. Provisions in this Schedule will only apply to a Client Servicer if Licensee uses the Licensed Application in support of a Client Servicer.

“**Codified Findings**” means any recommendation or findings files, results files, structures and message or other codes pertaining to the Licensed Application (as such files, structures, and message and other codes may be modified from time to time), which are provided by (or on behalf of) Fannie Mae to Licensee.

“**Consumer Credit Data**” means any information which bears on a consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living. Such data may include data contained in: (a) residential mortgage credit reports, "in-file" credit reports, or "consumer reports," as defined in the FCRA, and (b) any correspondence or communication from the consumer or any third party which includes information relating to any of the above factors.

“**Customer(s)**” means individual mortgage loan borrowers.

“**ECOA**” means the Equal Credit Opportunity Act, codified at 15 U.S.C. §1691 et seq., and its implementing regulation, Regulation B, codified at 12 C.F.R. Part 202.

“**Fannie Mae Loan**” means any mortgage loan owned or securitized by Fannie Mae.

“**FCRA**” means the Fair Credit Reporting Act, at 15 U.S.C. § 1681 et seq., and the Federal Trade Commission's Official Staff Commentary to the Fair Credit Reporting Act.

“**FHA**” means the Fair Housing Act, codified at 42 U.S.C. §3601 et seq..

“**SMDU Analysis**” means the evaluation generated by the Licensed Application, as well as the recommendations, findings, messages, analyses, reports and output generated by the Licensed Application.

“**Servicing Guide**” means Fannie Mae’s Servicing Guide, as amended, restated, supplemented or otherwise modified from time to time.

“**TILA**” means the Truth-in-Lending Act, codified at 15 U.S.C. 1601 et seq. and its implementing regulation, Regulation Z, and the Official Staff Commentary to Regulation Z, as applicable.

3. Restrictions on Use. Without limiting the terms of the Section of the Master Terms entitled “Restrictions on Use” or any other provision in the Master Terms or this Schedule, Licensee may not use the Licensed Application or its predicted property values or confidence scores for any purpose other than:
 - a. underwriting mortgage loan loss mitigation workouts with respect to Fannie Mae Loans for itself and its Client Servicers; and
 - b. to obtain a predicted value and compare such predicted value to the original or current value of the property for purposes of determining a loan’s eligibility for mortgage insurance termination in accordance with the Servicing Guide requirements.
4. Codified Findings. The following terms apply if Fannie Mae provides Codified Findings to Licensee:
 - a. Permitted Uses of Codified Findings. Licensee may use the Codified Findings to:
 - i. modify and develop Consumer Findings that are derivative works of the Codified Findings;
 - ii. populate Licensee’s database and other downstream systems with data points;
 - iii. create actionable items based on data parsed from the Codified Findings;
 - iv. trigger automated system messaging of processing requirements based on Licensee’s processing rules;
 - v. customize, add or suppress messaging to be compatible with Licensee’s specific requirements and
 - vi. trigger automated loan-servicing actions that result in automatically executed actions, all without user intervention.
 - b. Provisions Governing Codified Findings. Licensee agrees that:
 - i. the Codified Findings are subject to change at any time and from time to time;
 - ii. Licensee develops code based upon the Codified Findings at its own risk, cost and expense;
 - iii. upon receipt of any changes to the Codified Findings, Licensee must promptly update any code that it has developed or licensed in order to conform it to the most recent version of the Codified Findings;
 - iv. neither Licensee nor any Third-Party Provider used by Licensee may modify, alter or translate the Codified Findings in such a way as to materially alter the substance of any recommendation or finding issued by the Licensed Application,
 - v. if there is any inconsistency between the findings issued by the Licensed Application and the Codified Findings, the findings issued by the Licensed Application will govern,
 - vi. Fannie Mae has the right, but not the obligation, to review and comment on any findings based on Codified Findings developed by Licensee or any Third-Party Provider used by Licensee, and
 - vii. Licensee must promptly make (or cause to be made) any alterations or additions that Fannie Mae may request from time to time to any Consumer Findings developed by Licensee or any Third-Party Provider.
 - c. Liability Related to Use of Codified Findings. Licensee further agrees that the Codified Findings

are provided as a convenience only, and that their use may result in liability under existing laws, rules or regulations, and under agreements to which Licensee is a party. Any liability resulting from Licensee's use of Codified Findings is solely Licensee's responsibility, and Fannie Mae and its Third-Party Licensors are not responsible for any such use or liability.

5. Representations to Third Parties.

a. Sharing of SMDU Analysis. Notwithstanding the provisions of the Section of the Master Terms entitled "Unauthorized Representations," Licensee and Client Servicers may:

- i. share findings and recommendations (e.g., "approve," "refer," or "refer with caution") generated by the Licensed Application, including the SMDU Analysis, with Customers; provided, that (A) the findings and recommendations are shared in a manner that makes them understandable and meaningful to Customers, and (B) if the findings or recommendations contain any reference to Fannie Mae, Licensee or the Client Servicer clearly and conspicuously informs the Customer in writing that any finding or recommendation rendered by the Licensed Application is not a consumer credit report and does not constitute an approval or denial of a loss mitigation workout by Fannie Mae or a commitment to modify a loan by Fannie Mae and
- ii. provide property valuation information to a Customer in accordance with the Sections below entitled "ECOA Compliance" and "MI Termination Disclosure," as applicable, and as otherwise required by applicable law, including the Homeowners Protection Act.

6. Limited Waiver. Fannie Mae will not require Licensee or its Client Servicer to satisfy the Servicing Guide requirements identified in the Section of this Part II entitled "Conditions for Limited Waiver," with respect to a loan reviewed with the assistance of the Licensed Application; provided, however, that Licensee and its Client Servicer (if applicable) complies with the provisions of such Section, as the same may be modified by Fannie Mae from time to time.

7. Servicer Acknowledgments, Representations and Warranties. Licensee agrees that output generated by the Licensed Application, in whole or in part, has not been prepared by a licensed or certified appraiser and does not constitute an appraisal or valuation of the subject property. Further, Licensee represents and warrants that (a) Licensee and its Client Servicer has the contractual and legal right to provide Fannie Mae all data entered into the Licensed Application, (b) Fannie Mae's use of such data as contemplated by this Schedule and the "Rights in Data" section of the Master Terms does not violate the contract or intellectual property rights of any third party and (c) Licensee and its Client Servicer have completed all required verifications of all Customer financial, property and other information that has been entered into the Licensed Application

8. Additional Disclaimers. In addition to the warranties specifically disclaimed by Fannie Mae in the section of the Agreement entitled "Disclaimer," Fannie Mae makes no representations or warranties, express or implied, regarding the property, the condition of the property, or the estimated value of the property. The predicted value generated by the Licensed Application is not an appraisal and was not prepared by a certified or licensed appraiser. Licensee recognizes that factors other than the results rendered by the Licensed Application, including the loss mitigation workout recommendation and predicted value, must be considered in the review and collection of its accounts and the accounts of its Client Servicers.

9. Limited Agency Relationship. Notwithstanding the Section of the Master Terms entitled "Independent Parties," Licensee agrees that, in obtaining Consumer Credit Data via the Licensed Application and in the processing and evaluation of Consumer Credit Data by the Licensed Application for purposes of making a loss mitigation workout recommendation and otherwise performing an SMDU Analysis, Fannie Mae, as owner of the Licensed Application, is the agent of Licensee, as that term is defined in the FCRA. As Licensee's agent, Fannie Mae is expressly authorized by Licensee to obtain Consumer Credit Data for the sole purpose of making a workout recommendation and otherwise performing an SMDU Analysis. Licensee agrees that Fannie Mae's role as Licensee's limited agent does not extend beyond the limited purposes set forth in this Section, and, for all other purposes, there is no such principal

and agent relationship. Moreover, Licensee will in no way misrepresent to any third party the limited extent of this principal/agent relationship.

10. Agency/Joint User Relationship with Client Servicer. To the extent that Licensee is using the Licensed Application for the benefit of a Client Servicer, Licensee agrees that Licensee (a) will be the agent of the Client Servicer, as that term is used in the FCRA, and (b) will enter into and maintain a written agreement with the Client Servicer in which the Client Servicer specifically designates Licensee as its agent for FCRA purposes.
11. Notification to Borrower. Licensee acknowledges that it may be required to provide certain disclosures to Customers such as when it determines that a Customer does not qualify for a loss mitigation workout. Such disclosure obligations may be imposed under the FCRA, ECOA, the Homeowners Protection Act and other federal and state laws and regulations. Licensee agrees that it bears sole responsibility for complying with such disclosure obligations and that such obligations in no event should be considered imposed upon or shared by Fannie Mae.
12. Recordkeeping. Licensee agrees that it may be required to maintain records of certain data pursuant to ECOA and other state and federal laws and regulations. Licensee agrees that (a) it bears sole responsibility for such obligation, (b) it may need to download data from the Licensed Application into its own systems storage facilities (which may include a Third-Party Application) or make copies of such data from the Licensed Application in order to generate or obtain information necessary to meet such recordkeeping requirements and (c) in no event is Fannie Mae responsible for maintaining any such data for Licensee or for providing Licensee with any such data at any time, either in electronic or hard-copy format.
13. ECOA Compliance. If Licensee has determined that it is required by the Equal Credit Opportunity Act (ECOA) to provide a Customer a copy of certain property valuation information Licensee has obtained using the Licensed Application, Licensee must provide the Customer a document (the “**Valuation Disclosure**”) that contains the following information extracted from the SMDU response file: the standardized address, predicted value, confidence score and response date/timestamp. The Valuation Disclosure must also include the following language:

“Note: The confidence score reflects the property valuation model’s confidence in the accuracy of the estimated value. The more data points the model has related to the particular property and neighborhood, the better the confidence score. Confidence scores range from 1-5, with 1 being the most confident.

This estimate of value was developed by an automated valuation model that was made available to your servicer by Fannie Mae. This estimate of value is not the result of an appraisal, nor was it developed by a state licensed or certified appraiser. Fannie Mae makes no representations or warranties, express or implied, regarding the property, the condition of the property, or the estimated value of the property. This estimate is intended to be used solely by the servicer and solely in connection with the modification of your mortgage loan. The servicer may or may not have used this estimated property value to make the credit decision. If you have concerns with this valuation, please talk to your servicer about your options, which include asking your servicer to order an appraisal.”

14. MI Termination Disclosure. If Licensee decides to provide, or has determined that it is required by applicable law to provide, the Customer a copy of certain property valuation information Licensee has obtained using the Licensed Application in connection with a request to terminate mortgage insurance as permitted under this Schedule, Licensee must provide the Customer a disclosure that includes the following language:

“This estimate of value was developed by an automated valuation model that was made available to your servicer by Fannie Mae. This estimate of value is not the result of an appraisal, nor was it developed by a state licensed or certified appraiser. Fannie Mae makes no representations or

warranties, express or implied, regarding the property, the condition of the property, or the estimated value of the property. This estimate is intended to be used solely by the servicer for purposes of determining eligibility for mortgage insurance termination. If you have concerns with this valuation, please talk to your servicer about your options, which include asking your servicer to order a BPO or an appraisal.”

15. Support. Fannie Mae will make online resources such as job aids, quick steps and recorded presentations relating to the use of the Licensed Application available to Licensee. Licensee acknowledges and agrees that Licensee, and not Fannie Mae, is responsible for responding to comments and questions from Customers relating to the Licensed Application. Fannie Mae has no obligation with respect to the activity of Authorized Users relating to the Licensed Application, including any obligation to remove, screen, police, edit or monitor any data or other material generated by Licensee’s employees, agents, contractors, representatives, customers or affiliates.
16. Compliance with Laws. For purposes of Part II of this Schedule, Licensee’s obligation to comply with laws, as set forth in the Section of Appendix A of the Master Terms entitled “Compliance with Laws,” is replaced with the following:

Licensee acknowledges that its activities and the activities of its Client Servicers (if any), whether or not the Licensed Application is used in connection with such activities, may subject Licensee and its Client Servicers to certain federal, state and local substantive and disclosure laws and regulations including TILA, FCRA, ECOA, FHA, the Fair Debt Collection Practices Act, the Dodd-Frank Wall Street Reform Act, the Homeowners Protection Act and the Consumer Protection Act and mortgage lending, property valuation and servicing statutes, and their implementing regulations and commentaries, as applicable. Licensee hereby represents and warrants that it is in full compliance with these and all other laws, rules, and regulations (including ordinances, conventions, orders that have the effect of law, and judicial rulings and opinions), that apply to any of its mortgage lending, servicing, property valuation and other business practices, as well as to its use of the Licensed Application and Fannie Mae’s systems, and that may have a material effect on Fannie Mae (collectively “**Applicable Laws**”). Licensee further represents and warrants that (a) it holds all applicable licenses and authorizations in all jurisdictions in which it conducts its business pursuant to Applicable Laws, (b) such licenses and authorizations are current and are fully in effect and (c) it has designed and implemented compliance and quality control policies, systems and procedures aimed at ensuring compliance with the Applicable Laws, as well as accurate and reliable data capture, collateral valuation, data reporting and adherence in all other manner to sound servicing practices and principles. Licensee also represents and warrants that loan modifications made by it pursuant to a recommendation specified in the SMDU Analysis will comply with Applicable Laws. Licensee acknowledges that Applicable Laws in certain states may prevent Licensee from fully implementing all of the recommended terms of a modification specified in the SMDU Analysis. Licensee bears sole responsibility for complying with Applicable Laws (and compliance with its own quality control policies, procedures and plans) in its implementation of loan modifications in connection with its use of the Licensed Application. The obligations set forth in this Section are in no event to be considered imposed upon or shared by Fannie Mae or any Third-Party Licensors by virtue of Licensee's use of the Licensed Application or any forms, documents or other written or electronic materials provided by Fannie Mae or its Third-Party Licensors, agents or representatives.

17. Litigation and Enforcement Actions. Licensee must notify Fannie Mae in accordance with the requirements of the Section of the Master Terms entitled “Notices” within three (3) business days of notice of any actual or threatened civil, administrative or criminal litigation or enforcement matter arising out of, or relating to, any alleged material violation by Licensee of an Applicable Law in which Licensee’s use of the Licensed Application is or may become relevant. Upon receipt of such notice, Fannie Mae may conduct an audit of Licensee’s books and records, or such

other inquiry as it may determine reasonable in the circumstances, regarding such alleged violation, and Licensee must reasonably cooperate in regard to such audit or inquiry.

18. Privacy. Licensee's privacy statements, policies and practices relating to the Licensed Application must not conflict with (i) the Section of the Master Terms entitled "Rights in Data," or (ii) any privacy statement included in the Licensed Application. Fannie Mae is not responsible for monitoring or reviewing Licensee's privacy statements, or assisting in their development, and will not be bound thereby.
19. Limited Waiver. In connection with Licensee's use of the Licensed Application and resulting recommended foreclosure prevention solution, Fannie Mae may offer Licensee or its Client Servicer a limited waiver of certain requirements set forth in the Servicing Guide in accordance with this Section.
 - a. Conditions for Limited Waiver. Fannie Mae shall provide Licensee or Licensee's Client Servicer the limited waiver set forth in (b) below, subject to Licensee's and its Client Servicer's compliance with the following conditions as of the submission date of the data into the Licensed Application and continuing through the execution of the recommended loss mitigation workout solution:
 - i. all data, including Consumer Credit Data, entered into the Licensed Application (A) is complete, accurate, and not fraudulent, (B) has been verified by Licensee and its Client Servicer in accordance with Fannie Mae's verification requirements, and (C) meets the pre-screen eligibility requirements as outlined in the Servicing Guide;
 - ii. the loan has successfully passed the eligibility requirements for an approved workout solution by the Licensed Application;
 - iii. prior to the execution of the recommended workout solution, Licensee and its Client Servicer has satisfactorily resolved all verification messages or conditions specified on the Licensed Application output report;
 - iv. prior to the execution of the recommended workout solution, Licensee and its Client Servicer has verified that the data on which the case submission was based remains unchanged.
 - v. the recommended workout solution(s) are executed in accordance with the Fannie Mae Workout Hierarchy; For purposes of this Part II, "**Fannie Mae Workout Hierarchy**" means the preferred order of consideration of foreclosure prevention alternatives set forth in the Servicing Guide or such other announcement, as amended from time to time and posted on www.fanniemae.com.
 - vi. Licensee and its Client Servicer are in compliance with the Servicing Guide, except with respect to calculations performed by the Licensed Application; and
 - vii. Licensee and its Client Servicer are in compliance with all laws and regulations, including the Applicable Laws.
 - b. No Liability. If Licensee and its Client Servicer are in full compliance with the conditions set forth in (a) above, Licensee or its Client Servicer will have no liability to Fannie Mae resulting from its reasonable reliance on the accuracy of the SMDU Analysis.