

## **BULLETIN**

### **DESKTOP UNDERWRITER SCHEDULE (Non-Seller/Servicer (DU-Only) Version)**

This Bulletin is issued in accordance with the section of the Fannie Mae Software Subscription Agreement (the “Agreement”) entitled “Issued Bulletins; Amendments,” and amends and restates the existing Desktop Underwriter Schedule (Non-Seller/Servicer version)(the “Old DU Only Schedule”) as set forth in the attached new Desktop Underwriter Schedule (Non-Seller/Servicer version)(the “New DU Only Schedule”). To the extent possible, conforming changes have been made throughout the New DU Only Schedule in order to better align with the content presented in the DU Schedule (Seller/Servicer version).

Content relating to or referencing “Third-Party Originators” in the Old DU Only Schedule was determined to not be applicable to the DU Only Program and has been deleted. In addition to minor edits, including those made for the sake of brevity or consistency, typo corrections, section renumbering, formatting and presentation order, short titles have been added to most sections for ease of reference. More specifically, the New DU Only Schedule includes revisions to the following terms:

SECTION NO./ TITLE	OLD SECTION NO./ TITLE (if different)	DESCRIPTION OF CHANGE
1.— <u>Licensed Application</u>	—	Clarification added that use of the term “Licensed Application” is meant to include both Desktop Underwriter (“DU”) and related APIs.
2.— <u>Definitions</u>	—	Definitions of “RESPA,” and “TILA” were added to this Section and the term “Property Inspection Waiver” was changed to “Appraisal Waiver” to align with the Selling Guide.  In addition, the definitions of the following terms were revised: FCRA, Licensee Sites, Third-Party Originator, and Consumer Data, which now includes ownership of an existing loan.
3.— <u>License</u>		Streamlined the License grant and clarified that the license is non-sublicensable and revocable under Fannie Mae’s intellectual property rights.
4.— <u>Restrictions on Use</u>	—	Section now includes the following: <ul style="list-style-type: none"><li>• the requirement that Licensee’s access and use of APIs be in compliance with applicable laws, including the Gramm-Leach-Bliley Act;</li><li>• a reminder to Licensees that Licensed Applications should not be used to engage in any activity that would be a violation of Selling Guide B2-1.2-04, <i>Prohibited Refinancing Practice</i>; and</li></ul>

		<ul style="list-style-type: none"> <li>prohibition of the redistribution of DU, except with the express written consent of Fannie Mae (“FM”) and on terms and conditions FM may require.</li> </ul>
6.— <u>Unauthorized Representations; Sharing of Findings and Recommendations</u>	6.— <i>Unauthorized Representations</i>	Section clarifies that, other than for the purposes specified, Licensee may not share the DU Findings Report unless required by law. In addition, Licensees must comply with all requirements related to the access, sharing and use of Loan Casefiles when using the DU Messages API to retrieve DU findings.
9.— <u>Limited Agency Relationship</u>	10.— <i>Limited Agency Relationship</i>	Acknowledgment from Licensee added that FM is authorized to obtain Consumer Data to perform a Prequalification Analysis or to make an underwriting recommendation.
11.— <u>Features Pertaining to Subject Property</u>	—	New Section (which also appears in the DU Schedule) that acknowledges the following: <ul style="list-style-type: none"> <li>FM does not warrant property value;</li> <li>Licensee must not represent to third parties that FM performs appraisals or valuations;</li> <li>Application output does not constitute an appraisal;</li> <li>Findings or messages generated by the Application are for informational purposes only; and</li> <li>Such findings may not be used to interfere with an appraiser’s judgment.</li> </ul>
15.— <u>Loan Casefile Identification Numbers</u>	—	Section clarifies that Licensee’s disclosure of a Loan Casefile ID number to a third party constitutes Licensee’s consent for such party to have access to DU findings that are associated with a Loan Casefile and for FM to provide such access, including via the DU Messages API.
18.— <u>Compliance with Laws and Program Requirements</u>	18.— <i>Compliance with Program Requirements</i> 19.— <i>Compliance with Law</i>	Section now clarifies that Licensee (1) must remain compliant with DU-Only Program eligibility requirements and (2) is solely responsible for determining whether each origination cost meets TILA’s definition of “finance charges.”
20.— <u>Lender Contract</u>	—	New Section (which also appears in the DU Schedule) that states that transactions initiated via the Licensed Transaction are subject to Lender Contract requirements, and conflicts between the Licensed Transaction and the Guides (or other portions of the Lender Contract) will be decided in favor of the latter.
23.— <u>Marketing</u>	—	Licensee agrees that it is solely responsible for marketing Licensee Sites.
24.— <u>Support; No Duty to Monitor</u>	—	Acknowledgment added that FM is not obligated to remove, edit or monitor data or other materials

		related to DU that are generated by Licensee or its affiliates.
25.— <u>Suspension or Termination for Cause</u>	23.— <i>Termination for Convenience</i> 24.— <i>Termination for Cause</i>	Section establishes FM's right to suspend or terminate a Licensee's access to any Licensed Application without notice, at any time and in its sole discretion for any breach of its obligations.

All of the changes described above are effective as of the Effective Date indicated in this Schedule, except for the provision related to APIs in Section 4.h., which is effective immediately in accordance with the Master Terms Section entitled "Issued Bulletins; Amendments." All of the terms and conditions of the Agreement shall continue in full force and effect. Capitalized terms used in this Bulletin but not defined herein shall have the meaning ascribed to them in the New DU Only Schedule and the Agreement. In the event of any inconsistency between or among the provisions contained in the Agreement (including the New DU Only Schedule) and this Bulletin, the provisions of the Agreement shall govern.

## Software Subscription Agreement

### **DESKTOP UNDERWRITER (Non-Seller/Servicer (DU Only) Version) Schedule**

#### LICENSED APPLICATION/ADDITIONAL TERMS

1. **Licensed Application.** Fannie Mae licenses to Licensee, a mortgage lender that is not a party to a Fannie Mae Mortgage Selling and servicing Contract (a “Non-Approved Lender”), the application known as Desktop Underwriter®, or DU®, and related APIs (the “**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, the Licensed Application provides certain automated underwriting functionality, including those designed to:
  - a. support and facilitate Licensee’s electronic underwriting of Mortgage Loan Applications or performance of Prequalification Analyses;
  - b. generate certain recommendations, underwriting findings (including Codified Findings), underwriting analyses and other reports;
  - c. facilitate the communication and exchange of data between Licensee and consumer reporting agencies accessible through the Credit Retrieval Module;
  - d. validate certain loan application data where Licensee has been given access to the DU Validation Service; and
  - e. facilitate Licensee’s access to certain mortgage scorecards maintained by or on behalf of the U.S. Federal Housing Administration (the “**FHA**”) and the U.S. Department of Veterans Affairs (the “**VA**”).
2. **Definitions.** The following terms are used in this Schedule as defined below:

**“Codified Findings”** means any underwriting recommendation or underwriting 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 for the purpose of, among other things, facilitating Licensee’s development of Consumer Findings.

**“Consumer Data”** means any information, including consumer credit data, which bears on a consumer’s creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living and in connection with a refinance, includes whether Fannie Mae owns the existing loan. Such data may include, data contained in:

- i. residential mortgage credit reports, "in-file" credit reports, or "consumer reports," as defined in the FCRA;
- ii. verifications of income, employment, or assets, or other forms of alternate documentation as described in the Selling Guide;

- iii. the Uniform Residential Loan Application, including any attachments and supplements to it; and
- iv. any correspondence or communication from the consumer or any third party which includes information relating to any of the above factors.

From time to time and as a convenience only, Fannie Mae may identify information as Consumer Data but Fannie Mae's failure to so identify such information as Consumer Data does not relieve Licensee of any of its obligations related to Consumer Data.

**"Consumer Findings"** means recommendations or findings relating to the Licensed Application that are understandable and meaningful to Customers. Consumer Findings may be a derivative work of Codified Findings.

**"Consumer Report"** means a "consumer report" issued by a "consumer reporting agency," as those terms are defined by the FCRA.

**"Credit Retrieval Module"** means the component of the Licensed Application that facilitates the retrieval of a Consumer Report from a consumer reporting agency by communicating and exchanging data between Licensee and the consumer reporting agency.

**"Customer(s)"** means individual mortgage loan applicants and borrowers or prospective mortgage loan applicants and borrowers.

**"DU Validation"** means a validation of a Customer's Consumer Data, as submitted to the Licensed Application by Licensee, against corresponding Consumer Data received by Fannie Mae from a Third-Party Data Source through the DU Validation Service.

**"DU Validation Service"** means the component of the Licensed Application that performs DU Validations.

**"Documentation"** means recommendations, findings (including Codified Findings), analyses and other reports generated by the Licensed Application, as well as the Selling Guide and any other guides and end-user manuals, quick steps, job aids, release notes, technical specifications and other reference materials that Fannie Mae makes either generally or specifically available to Licensee in relation to the Licensed Application.

**"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.

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

**"Licensee Sites"** means any telephone call centers or internet sites (or portion of internet sites) operated or hosted by Licensee for the benefit of Customers who input data to the Licensed Application through it, to permit them to obtain mortgage-related services or products from Licensee and where, or through which, Customers are able to obtain Consumer Findings.

**"Loan Casefile"** means a unique collection of data related to a Customer's loan application, including, as applicable, Consumer Data, and other information such as recommendations, findings (including Codified Findings), analyses, reports and other output generated by the Licensed Application, all of which are logically associated in a single file and assigned a unique casefile identifier.

**"Loan Documents"** means forms that are provided with the Licensed Application as a convenience to Licensee. These forms include the Uniform Residential Loan Application and any attachments and supplements to it.

**"Mortgage Loan Application"** means the submission by a loan applicant of financial information and identification of a specific property to secure a loan.

**"Prequalification Analysis"** means the evaluation of Consumer Data with respect to a prospective loan applicant for the purpose of evaluating such prospective applicant's qualification for financing, other than in connection with a Mortgage Loan Application.

**"RESPA"** means the Real Estate Settlement Procedures Act, codified at 12 U.S.C. 2601 et seq., and its implementing regulation, Regulation X.

**"Subject Property"** means the property that is the subject of a loan.

**"Third-Party Data Source"** means a Third-Party Licenser from whom Licensee orders Consumer Reports through the Credit Retrieval Module which are then transmitted through a Third-Party Application or who is designated on Fannie Mae's website as participating in the DU Validation Service and whom Licensee commissions to transmit Verification Reports to the DU Validation Service by a Third-Party Application.

**"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.

**"Verification Report"** means a report containing Consumer Data transmitted by a Third-Party Data Source to the DU Validation Service.

3. **License**. For purposes of this Schedule, the Section of the Master Terms entitled "License" is replaced with the following:

Fannie Mae grants Licensee a non-exclusive, non-transferable, non-sublicensable, revocable license under Fannie Mae's intellectual property rights to:

- i. access and use the Licensed Application through its Authorized Users;
- ii. operate Licensee Sites;
- iii. use the Documentation; and
- iv. if Fannie Mae, in its sole discretion, provides Codified Findings to Licensee, to use them in accordance with the terms of the "Codified Findings" Section of this Schedule.

4. **Restrictions on Use**. Without limiting the terms of the Section of the Master Terms entitled "Restriction on Use" or any other provision in the Master Terms or this Schedule, Licensee may use the Licensed Application's Credit Retrieval Module, underwriting functionality and Prequalification Analysis functionality only under the following circumstances:

- a. to request and receive Consumer Reports and analyze and evaluate Consumer Data in such reports for the purpose of performing Prequalification Analyses of prospective loan applicants who have submitted an express, written authorization to Licensee to obtain such reports and analyze and evaluate such data;
- b. to request and receive Consumer Reports and analyze and evaluate Consumer Data in such reports in Mortgage Loan Applications before a decision regarding any such

- application is made and communicated to any loan applicants;
- c. with respect to Mortgage Loan Applications previously approved but not yet closed by Licensee:
  - d. to request and receive additional Consumer Reports through the Credit Retrieval Module, when Licensee is requesting such reports in connection with its own Mortgage Loan Applications or Prequalification Analyses and has obtained the loan applicant(s)' prior written permission to request such additional Consumer Reports, or because other circumstances exist which Licensee believes justify the request for such additional Consumer Reports under the FCRA;
    - i. to analyze and evaluate Consumer Data including Consumer Reports when Licensee determines that data obtained subsequent to its initial approval may affect its prior underwriting approval decision; and
    - ii. to request and receive Consumer Reports and analyze and evaluate Consumer Data in such reports when the loan applicant(s) request different loan terms or a different loan product than that originally requested by the loan applicant(s);
  - e. with respect to Mortgage Loan Applications previously denied by Licensee, which denial decision has been communicated to the applicant(s):
    - i. to request and receive Consumer Reports through the Credit Retrieval Module, when Licensee is requesting such reports in connection with its own Mortgage Loan Applications and Prequalification Analyses and has obtained the loan applicant(s)' prior written permission to request such additional Consumer Reports; and
    - ii. to analyze and evaluate Consumer Data, including Consumer Reports, when
      - (1) Licensee determines that data obtained subsequent to its initial denial decision may affect its prior underwriting decision, and
      - (2) Licensee intends to make and communicate an offer of credit to the applicant(s) if an approval recommendation decision is rendered by the Licensed Application as a result of consideration of the additional data obtained;
  - f. to request and receive Consumer Reports and analyze and evaluate Consumer Data in such reports in conjunction with Licensee's quality control program with respect to loans previously approved and closed by Licensee;
  - g. to update data previously submitted to the Licensed Application with respect to loans previously approved and closed by Licensee;
  - h. with respect to any APIs, (1) to access and use such APIs in accordance with all applicable laws, including the Gramm-Leach-Bliley Act, 15 U.S.C. §6801-6809, and (2) to not permit any mortgage broker to access such API as an Authorized User unless expressly permitted in writing by Fannie Mae. To the extent that any data or information is Consumer Data (or identified by Fannie Mae to Licensee as Consumer Data), Licensee may not use the API to obtain such data on consumers whose loans it does not own or whose loan(s) it currently does not service for Fannie Mae until AFTER receiving the consumer's prior consent to access such data;
  - i. Licensee shall not use (or permit its Authorized Users to use) the Licensed Application to engage in any activity that would be prohibited by *Selling Guide B2-1.2-04, Prohibited Refinancing Practices*; and

- j. Licensee shall not redistribute the Licensed Application to mortgage brokers or correspondent lenders, except with the express written consent of Fannie Mae and on such terms and conditions as Fannie Mae may require.
5. 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 and display such Consumer Findings on Licensee Sites;
    - ii. populate Licensee's database and other downstream systems with data points including, by way of illustration, special feature codes and Consumer Data;
    - iii. create actionable items based on data parsed from the Codified Findings;
    - iv. communicate loan conditions to Licensee's fulfillment staff;
    - v. trigger automated system messaging of processing requirements based on Licensee's loan processing rules;
    - vi. customize, add or suppress messaging to be compatible with Licensee's specific requirements; and
    - vii. trigger automated loan-processing actions based on Licensee's loan processing rules that result in automatically executed actions, such as ancillary fulfillment service ordering (i.e., flood, mortgage insurance and title), loan condition clearing tasks, and loan status tracking, 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 Consumer Findings developed by Licensee or any Third-Party Provider used by Licensee;
    - 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; and
    - viii. Consumer Findings may not contain any reference to Fannie Mae without Fannie Mae's prior written consent.
  - 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.

6. Unauthorized Representations; Sharing of Findings and Recommendations. Notwithstanding the provisions of the Section of the Master Terms entitled "Unauthorized Representations," Licensee may share underwriting findings and recommendations (e.g., "approve," "refer," or "refer with caution") generated by the Licensed Application, including DU Findings Reports, 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 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 Mortgage Loan Application by Fannie Mae or a commitment to purchase a loan by Fannie Mae.

Licensee may also share the same information with a prospective purchaser of a loan underwritten with the assistance of the Licensed Application, provided Licensee simultaneously informs the prospective purchaser that any recommendation rendered by the Licensed Application does not constitute an approval or denial of a Mortgage Loan Application.

Unless otherwise required by law, no other sharing of the DU Findings Report is permitted.

Except as otherwise expressly provided above, Licensee must not identify Fannie Mae as a provider of underwriting, pre-qualification or other services in connection with any Licensee Site or otherwise in connection with this Schedule, and Licensee must not refer to Fannie Mae, as such, in its privacy statements.

The DU Messages API enables a Licensee to automate the retrieval of messages provided on the DU Findings Report. Because the DU Messages API enables the retrieval of DU findings, Licensee agrees that it must comply with all requirements in this Agreement for the access, sharing and use of the Loan Casefile and any associated findings when using the DU Messages API.

- c. Notwithstanding anything to the contrary in any technology registration or other documents, Licensee acknowledges and agrees that it is not an approved Fannie Mae Seller/Servicer and Licensee shall not:
  - i. represent, state or suggest (whether by act or omission) either directly or indirectly to any third party (including, without limitation, any investor, regulator or customer) that it is a Fannie Mae Seller/Servicer;
  - ii. engage in any conduct or behavior that would lead any third party (including without limitation any investor, regulator or customer) to conclude or assume that Licensee is a Fannie Mae Seller/Servicer; or
  - iii. assert any rights that could be derived from the status of an approved Fannie Mae Seller/Servicer.
7. Limited Waiver/Enforcement Relief of Representations and Warranties. Licensee acknowledges that as a Non-Approved Lender, Licensee is not permitted to sell loans to Fannie Mae and is not eligible for any waiver or enforcement relief of representations and warranties for mortgages underwritten with the Licensed Application.
8. No Purchase Approval or Denial. Licensee agrees that any recommendation rendered by the

Licensed Application will not constitute an approval or denial of the Mortgage Loan Application by Fannie Mae or a commitment to purchase the loan by Fannie Mae.

9. **Limited Agency Relationship.** Notwithstanding the Section of the Master Terms entitled "Independent Parties," Licensee agrees that, in obtaining Consumer Reports via the Licensed Application and in the processing and evaluation of Consumer Data from Consumer Reports by the Licensed Application for purposes of performing a Prequalification Analysis or making an underwriting recommendation, Fannie Mae, as owner of the Licensed Application, is the agent of Licensee, as that term is defined in the FCRA. As Licensee's limited agent, Fannie Mae will, and is expressly authorized by Licensee to
  - a. obtain Consumer Data for the sole purpose of performing a Prequalification Analysis or making an underwriting recommendation and
  - b. disclose or require Licensee to disclose (through reasonable, prescribed means) to Third-Party Data Sources, including consumer reporting agencies, any secondary use of such Consumer Data facilitated by Licensee's use of the Licensed Application (including information relating to the identity of the secondary user). Licensee also 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. **Relationship with Third-Party Data Sources.**
  - a. **Credit Retrieval Module.** Licensee must, concurrently with this Schedule, maintain a separate agreement with each Third-Party Data Source that is accessible to it via the Licensed Application and from which it orders Consumer Reports through the Credit Retrieval Module. In addition to this Agreement, such agreements govern Licensee's use of all Consumer Reports obtained electronically through the Credit Retrieval Module.
  - b. **DU Validation Service.** Licensee must, concurrently with this Schedule, maintain a separate agreement with each Third-Party Data Source it commissions to transmit Verification Reports to the Licensed Application through the DU Validation Service. Such agreements must provide for all rights and authorizations necessary to enable Verification Reports to be provided to and used by Fannie Mae in performing DU Validations. Licensee must order Verification Reports directly from the applicable Third-Party Data Source. Licensee may not rely solely on Verification Reports ordered by third parties.
  - c. **Responsibility.** In no event is Fannie Mae responsible for any aspect of Licensee's relationship with any Third-Party Data Source, including any fees or charges related to Licensee's use of its services or Fannie Mae's access to or use of Consumer Reports or Verification Reports.
  - d. **Warranty.** Licensee represents and warrants that any request for or use of "consumer reports," as defined in the FCRA, through the Licensed Application is strictly for "permissible purposes," as defined in Section 604 of the FCRA, and for no other purpose and will in all other respects comply with the requirements of the FCRA.

11. **Features Pertaining to the Subject Property.**

- a. **No Warranty Regarding Value.** Fannie Mae does not warrant that any property sales price

(or any estimated value used to process a loan for a refinance transaction) accepted by the Licensed Application as the value for a transaction represents the actual value of the Subject Property.

- b. Statements to Third Parties. Licensee must not make any statements to any third party (including Customers) that Fannie Mae performed any kind of property review, appraisal or valuation of the Subject Property.
  - c. Not an Appraisal or Valuation. 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.
  - d. Findings for Informational Purposes Only. The findings and messages generated or reported by the Licensed Application are for informational purposes only. In no event does the absence or presence of flags or messages generated or reported by the Licensed Application indicate that an appraisal is acceptable or unacceptable. Findings generated or reported by the Licensed Application may not be used as Licensee's basis to accept or reject an appraisal nor may they be used as the basis for a credit decision.
  - e. No Interference with Judgment of Appraiser. Licensee may not use findings generated or reported by the Licensed Application to interfere with the independent judgment of an appraiser nor encourage an appraiser to provide inaccurate or otherwise misleading conclusions to influence the automated output of the Licensed Application.
12. Notification to Borrower. Licensee acknowledges that it may be required to provide certain disclosures to Customers such as when the Licensee denies or unfavorably changes the terms requested in the Mortgage Loan Application or determines that a prospective mortgage loan applicant would not qualify for a loan or for a particular loan amount as a result of a Prequalification Analysis. Such disclosure obligations may be imposed under the FCRA, ECOA, 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 are in no event to be considered imposed upon or shared by Fannie Mae.
  13. Recordkeeping. In addition to the provisions of the Section of the Master Terms entitled "Recordkeeping," the following applies:

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.
  14. Loan Documents. Licensee agrees that the Loan Documents are provided as a convenience only, and that Licensee's misuse or improper use of such forms may result in liability under existing laws, rules or regulations, and under agreements to which Licensee is a party. Licensee agrees

that:

- a. any liability resulting from Licensee's use of the Loan Documents is solely Licensee's responsibility; and
  - b. Fannie Mae and any of its licensors of the Loan Documents are not responsible in any way for any such use or liability.
15. Loan Casefile Identification Numbers. Licensee's disclosure of a Loan Casefile identification number to a third party, either for due diligence purposes or otherwise, is deemed to be Licensee's consent to the third party's access to the Loan Casefile (including any associated DU findings (in all cases, for which Fannie Mae will have no liability) and authorization to Fannie Mae to provide the third party with such access including access through the DU Messages API. In no event may a Loan Casefile identification number be used by Licensee to submit more than one loan to the Licensed Application.
16. Compliance with Laws and Program Requirements. For purposes of this Schedule, Licensee's obligation to comply with laws, as established in the Section of the Master Terms entitled "Additional Provisions", is replaced with the following:
- a. Licensee acknowledges that its activities, whether or not the Licensed Application is used in connection with such activities, may subject Licensee to certain federal, state and local substantive and disclosure laws and regulations including, RESPA, TILA, FCRA, ECOA and the Home Mortgage Disclosure Act and mortgage lending or broker 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, 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:
    - i. it holds all applicable licenses and authorizations in all jurisdictions in which it conducts its business pursuant to Applicable Laws,
    - ii. such licenses and authorizations are current and are fully in effect and
    - iii. 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 loan origination practices and principles. Licensee bears sole responsibility for complying with Applicable Laws (and compliance with its own quality control policies, procedures and plans) 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.

Throughout the term of this Schedule, Licensee shall remain compliant with the eligibility requirements of the Fannie Mae DU Only Program and shall promptly produce evidence of the same upon the request of Fannie Mae.

- b. Origination Cost. It is Licensee's sole responsibility to, and Licensee will, determine whether each cost relating to the origination of each residential mortgage loan is a

"finance charge," as that term is defined by TILA.

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 privacy statements, policies and practices relating to the Licensed Application must not conflict with the Section of the Master Terms entitled "Rights in Data," or any privacy statement included in the Licensed Application. Fannie Mae is not responsible for monitoring or reviewing Licensee's privacy statement(s), or assisting in their development, and will not be bound thereby.
19. Lender Contract. The transactions initiated via the Licensed Application are subject to the requirements of the Lender Contract, as it may be modified and amended from time to time. Conflicts between the Licensed Application and the Guides or other portions of the Lender Contract, including loan eligibility requirements, will be resolved in favor of the Guides or other portions of the Lender Contract, as the case may be.
20. DU for Government Loans. The Licensed Application contains certain functionality designed to assist Licensee in evaluating a loan's eligibility for guaranty by the VA or insuring by FHA (the VA and FHA each being referred to in the singular as the "**Agency**" and together as the "**Agencies**"). In addition to the terms in the Master Terms and this Schedule, the following terms and conditions apply with respect to the components of the Licensed Application used to assist lenders in their underwriting of government loans ("**Desktop Underwriter for Government Loans**"):
  - a. Warranties Related to Government Loans. Licensee represents and warrants that to the extent required by the Agency, Licensee is authorized to originate VA guaranteed or FHA insured housing loans (as applicable). Licensee shall comply with all policies and requirements set forth by the authorizing Agency. In addition, Licensee agrees, represents and warrants that it will:
    - i. comply with all applicable laws and regulations in its use of Desktop Underwriter for Government Loans and any output of Desktop Underwriter for Government Loans;
    - ii. provide to each applicant to whom it determines not to extend credit an adverse action notice in accordance with the requirements of ECOA;
    - iii. rely upon its own counsel to ensure compliance with ECOA, the Fair Housing Act and other Applicable Laws; and
    - iv. obtain each borrower's written consent to obtain credit reports in accordance with the requirements of the FCRA and, where legally required, any other information required by Desktop Underwriter for Government Loans.
21. Suspension or Termination; Authorizing Agencies. Licensee agrees that:
  - i. notwithstanding any provision to the contrary in the Agreement, Fannie Mae has the right to immediately limit, suspend or terminate Licensee's license to access and use Desktop Underwriter for Government Loans upon Fannie Mae or an Agency's determination that:

- (1) Licensee is unacceptable as a licensee of Desktop Underwriter for Government Loans or
  - (2) is not complying with the guidelines for the use of Desktop Underwriter for Government Loans, and Fannie Mae has no liability to Licensee or otherwise for any such action,
- ii. Licensee must provide, in a timely manner, such information requested by an authorizing Agency from time to time for quality control, monitoring, risk management or other purposes, in the form and format specified by Fannie Mae or the authorizing Agency. In addition, notwithstanding any provisions to the contrary in the Agreement, Licensee hereby authorizes Fannie Mae to
    - (1) provide to the Agencies loan data, reports and other information (including loan level and summary information and information for evaluation, quality control or monitoring purposes) required or requested by the applicable Agency with respect to applications or loans processed through Desktop Underwriter for Government Loans, and
    - (2) provide the applicable Agency with periodic reports regarding its status as a licensee of Desktop Underwriter for Government Loans.
22. Marketing. Licensee agrees that it is solely responsible for marketing Licensee Sites, including the recruitment of Customers.
23. Support; No Duty to Monitor. Fannie Mae may make online resources such as job aids, quick steps and recorded presentations relating to the use of the Licensed Application available to Licensee from time to time and may provide Licensee additional online support related to the introduction and implementation of the Licensed Application to Licensee. Notwithstanding the above, 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 and the Licensee Sites and for all other support and assistance.
24. Suspension or Termination for Cause. In addition to, and not in limitation of, Fannie Mae's rights under the Master Terms Section entitled "Termination" and various Sections in this Schedule, Fannie Mae reserves the right to immediately without notice, at any time and in its sole discretion suspend or terminate this Schedule or Licensee's access to the Licensed Application if Licensee is found to be in breach of any of its obligations under this Schedule. In addition, the Section of the Master Terms entitled "Termination for Convenience" will be replaced with the following:
- "Either party may terminate this Schedule without cause upon thirty (30) days' prior written notice to the other."
- Fannie Mae has no liability to Licensee or otherwise for any such action. Fannie Mae will promptly notify Licensee of any such suspension or termination and its terms.
25. Indemnification. Licensee's obligation to indemnify Fannie Mae as established in the Master Terms include indemnification in the event of any breach of Sections 4, 5, 6, 9 through 14, 16, 18, or 20 of this Schedule.
26. 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 5, 8, 10 through 14, 16 through 18, 20 and 24 of this Schedule, will survive any termination of this Schedule or the Agreement.