

BULLETIN

PROPERTY INSPECTION WAIVER ADDENDUM Desktop Underwriter Schedule

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 DU Property Inspection Waiver (PIW) Service Addendum (the “Old PIW Addendum”) as set forth in the attached DU Property Inspection Waiver (PIW) Service Addendum (the “New PIW Addendum”). All terms not defined in the New PIW Addendum shall have the meaning set forth in the Agreement.

Among other things, the New PIW Addendum establishes additional circumstances under which Licensee may not exercise a PIW offer and must order appropriate fieldwork. The following additional circumstances are now found in Section 1, paragraph 4:

- (i) the subject property is an REO property,
- (ii) the last transaction on the subject property was a foreclosure or
- (iii) the lender is required by law to obtain an appraisal.

All of the terms and conditions of the Agreement as supplemented by the New PIW Addendum shall continue in full force and effect. In the event of any inconsistency between or among the provisions contained in the Agreement (including the New PIW Addendum) and this Bulletin, the provisions of the New PIW Addendum shall govern.

DU Property Inspection Waiver (PIW) Service Addendum Desktop Underwriter Schedule

PART I: LICENSED APPLICATION/ADDITIONAL TERMS

The parties acknowledge and agree that the Licensed Application, as licensed under this Addendum, includes the Desktop Underwriter[®] Property Inspection Waiver Service (the “PIW Service”), which allows Licensee to affirmatively elect to waive the Fannie Mae fieldwork requirement if such waiver is permitted by the Licensed Application for the Loan Casefile in question and an appraisal has not been obtained. In addition to (and not in limitation of) the terms and conditions set forth in the Desktop Underwriter Schedule (the “DU Schedule”) to the Fannie Mae Software Subscription Agreement (the “Agreement”), the following terms and conditions shall apply with respect to Licensee’s use of the PIW Service:

1. Waiver. In addition to the waiver terms and conditions referred to in the section of the DU Schedule entitled “Limited Waiver of Representation and Warranties,” the following terms and conditions shall apply for each eligible mortgage loan processed via the Licensed Application and delivered to Fannie Mae, if Licensee exercises the Property Inspection Waiver offer (“PIW Offer”) to not perform the fieldwork otherwise recommended by Desktop Underwriter (DU[®]):
 - a. The lender that delivers the mortgage loan to Fannie Mae (the “Delivering Lender”) is not required to make any representation or warranty as to property value, marketability, or condition with respect to any such mortgage loan;
 - b. Notwithstanding the above, the Delivering Lender represents and warrants that all of the information and data submitted to the Licensed Application are complete and accurate;
 - c. Licensee may only exercise a Property Inspection Waiver offer and be relieved of the requirement to make representations and warranties with respect to property value, marketability and condition if the final submission of the loan to DU resulted in a PIW Offer;
 - d. Licensee may only exercise a Property Inspection Waiver offer and be relieved of the requirement to make representations and warranties with respect to property value, marketability and condition if an appraisal is not obtained for the transaction;
 - e. In order to exercise a Property Inspection Waiver offer, the Delivering Lender must enter the Loan Casefile ID and Special Feature Code 801, and pay Fannie Mae the Property Inspection Waiver fee;
 - f. The mortgage loan must meet the standard documentation requirements, as specified in the Fannie Mae Selling Guide (as it may be amended);

- g. The Property Inspection Waiver offer may not be more than four months old on the date of the note and the mortgage;
 - h. Licensee may not exercise a Property Inspection Waiver offer and must order appropriate fieldwork if (i) the subject property is an REO property, (ii) the last transaction on the subject property was a foreclosure, (iii) the lender is required by law to obtain an appraisal or (iv) Licensee has reason to believe that fieldwork is warranted based on: (x) additional information Licensee has about the property, (y) subsequent events such as a hurricane or (z) additional information that DU provides to Licensee in a message accompanying the PIW Offer; and
 - i. Licensee may not adversely select against Fannie Mae in determining which Property Inspection Waiver offers to accept. Fannie Mae may monitor Licensee's exercise of the Property Inspection Waiver offers and delivery of loans to Fannie Mae, and may terminate Licensee's use of the PIW Service or take other appropriate measures in the event Fannie Mae determines that the risk profile of loans on which Licensee exercises a PIW Offer differs from the risk profile of the loans on which Licensee does not exercise a PIW Offer.
2. Unauthorized Representations. Without limiting the generality of the prohibitions contained in the section of the Agreement entitled "Unauthorized Representations," such section prohibits Licensee from making any representations to any third parties, including but not limited to the applicable borrowers, that Fannie Mae has performed any kind of a property review, appraisal, or valuation of the property that is the subject property of the PIW Service.
 3. Disclaimer of Warranty. In addition to the warranties specifically disclaimed by Fannie Mae in the section of the Agreement entitled "Warranty," Fannie Mae also specifically does not warrant that the property sales price (or the estimated value used to process the loan for a refinance transaction) accepted by the Licensed Application as the value for the transaction represents the actual value of the subject property.
 4. Compliance With Law. Laws and regulations regarding the use of appraisals and automated valuation models may vary, based for example on the type of transaction (purchase vs. refinance), the location of the property, and Licensee's licensing within that jurisdiction. As stated in the Agreement and the DU Schedule, Licensee is responsible for compliance with all federal, state and local laws, rules and regulations applicable to its use of the PIW Service.
 5. Mortgage Loan Sales. A mortgage loan on which the Property Inspection Waiver has been offered to Licensee could be sold to Fannie Mae by a Delivering Lender that is not the Licensee. Such Delivering Lender may exercise the Property Inspection Waiver, provided that (i) the Delivering Lender and the mortgage loan satisfy the applicable requirements specified in this Addendum and (ii) the Delivering Lender, if not a Licensee at loan delivery, becomes licensed to use Desktop Underwriter and the DU Property Inspection Waiver Service upon request by Fannie Mae. Accordingly, any time such loan is sold to another lender, the transferor lender must apprise the transferee lender of the content of the Addendum and

include a copy in the applicable loan file that is transferred to such transferee lender.

6. Termination. Notwithstanding any provision to the contrary in the Agreement or the DU Schedule, Fannie Mae may terminate this Addendum upon thirty (30) days' written notice to Licensee, with or without cause. In addition, (i) this Addendum shall terminate automatically upon termination of the DU Schedule and (ii) Fannie Mae may terminate this Addendum (without terminating the DU Schedule), effective immediately upon notice to Licensee, if any event occurs that would entitle Fannie Mae to immediately terminate the DU Schedule under the section of the Agreement entitled "Termination for Cause."
7. Indemnification. Subsection (d) of the section of the Agreement entitled "Indemnification" shall be expanded to also provide indemnification in the event of any breach of Sections 2 and 4 of Part I of this Addendum.
8. Survival. Any provisions of this Addendum that contemplate their continuing effectiveness, including, without limitation, Sections 2-4, 6 and 7 of Part I of this Addendum, shall survive any termination of this Addendum.

PART II: PRICING

Property Inspection Waiver Fee. The Property Inspection Waiver fee is \$75. For loans delivered for MBS, the Delivering Lender must establish a bank account from which Fannie Mae can draft the Property Inspection Waiver fee in accordance with the requirements of the Selling Guide, as amended from time to time. For loans delivered pursuant to a cash commitment, the Property Inspection Waiver fee will be netted from the purchase price upon delivery. The Property Inspection Waiver fee is in addition to any other charges imposed in connection with the use of the Licensed Application and any other Fannie Mae application. The Property Inspection Waiver fee is not a Loan-Level Price Adjustment (LLPA).