

MORTGAGE INSURER APPLICATIONS

Schedule

Terms and Conditions

1. Licensed Application. Fannie Mae's suite of applications known as the "Mortgage Insurer Applications" which includes File Transfer Portal, CE Portal, Collateral Data Delivery Service and Collateral Underwriter™ (each, the "Licensed Application") is licensed 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").
2. File Transfer Portal. The following terms shall apply with regard to File Transfer Portal (the "Licensed Application" under this Section):
 - (a) Formatting Conformance. Loan file names and manifest file names must conform to naming conventions established by Fannie Mae. Loan files and manifests with non-conforming names will be rejected by the Licensed Application. Loan files that contain processing or data submission errors will not be processed and file submission requests with such errors will continue to age until Fannie Mae receives the information in the correct format.
 - (b) Missing/Trailing Documents. Loan file documents that are missing from an initial submission to the Licensed Application and subsequently requested by Fannie Mae may not be uploaded to the Licensed Application. Such documents will not be processed and the request by Fannie Mae for outstanding missing documents will not be cleared.
 - (c) Authentication Credentials. Notwithstanding the provisions of the Section of the Master Terms entitled "Management of Authentication Credentials," Authentication Credentials that have been issued to Licensee for company-wide use may be shared and used between and among individuals who are employees of Licensee or that are independent or affiliate underwriting and quality control contractors of Licensee to access and use File Transfer Portal.
3. Collateral Underwriter; CDDS. The following terms shall apply with regard to Collateral Underwriter ("CU") and the Collateral Data Delivery Service ("CDDS") (each, the "Licensed Application" under this Section):
 - (a) Overview. As of the effective date of this Schedule, the Licensed Application will include certain functionality and features relating to the identification of potential appraisal issues. CU provides automated risk assessments of appraisal reports. CDDS is a Fannie Mae service at the back end of the Uniform Collateral Data Portal that allows mortgage insurers to retrieve CU risk scores, flags and messages.
 - (b) 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's right to access and use the Licensed Application and to use the associated Documentation shall be conditioned upon Licensee's compliance with the following:
 - (i) Licensee shall limit its use of the Licensed Application, including its risk scores, reports, findings and other output, in printed form or otherwise, generated by the Licensed Application ("Output") to the:
 - A. management of collateral risk,
 - B. reconciliation of appraisal variances with its lender customers,
 - C. realization of efficiencies in determining eligibility for rescission relief related to property value,

- D. pursuit of greater alignment of mortgage insurance rescission relief with GSE repurchase relief,
- E. support of calculation of PMIERS requirements, and
- F. performance of quality control reviews and routine portfolio monitoring

which are related to appraisals for Fannie Mae loans the Licensee insures or related to appraisals for loans that a Fannie Mae seller/servicer has asked Licensee to insure and that have been submitted to the Uniform Collateral Data Portal.

(ii) In no event will Licensee use any Output generated by the Licensed Application as the sole basis for:

- A. refusing coverage,
- B. rescission,
- C. cancellation,
- D. claim denial
- E. claim curtailment and
- F. premium increases.

If the Licensee uses any Output generated by the Licensed Application as the basis for providing rescission relief without a review of each appraisal by a qualified underwriter, it must do so in compliance with the PMIERS in effect at the time the Licensee (referred to as the “*approved insurer*” in the PMIERS) offers its rescission relief. Licensee acknowledges that as of the date of this agreement, PMIERS (dated December 21, 2015) Section 405 (“Independent Validation for Early Rescission Relief and Credible Evidence”) requires the Licensee to test any validation tool that supports an automated process which is used by an *approved insurer* to conduct independent validation that is the basis for granting any early rescission relief. Such testing must include a risk review analysis that concludes that the recommendations or output of that automated validation tool are aligned with the approved insurer’s credit risk tolerances, including those germane to any subsequent automated tool version updates. If the *approved insurer’s* analysis suggests that material discrepancies exist between its credit risk tolerances and the automated validation tool’s recommendations or outputs, the *approved insurer* must take appropriate steps to address these discrepancies, which would include adding eligibility overlays or discontinuing the use of, deference to, or reliance upon that automated tool.

(iii) Licensee will only be able to access and use the Licensed Application to review an appraisal if it has obtained from its lender customer the Fannie Mae DocFile ID associated with that appraisal. Licensee must inform its lender customers that it intends to use the DocFile ID to review the related appraisal using the Licensed Application which notification may be on a blanket or individual loan basis.

(c) Acknowledgments. Licensee acknowledges and agrees to the following:

(i) The Licensed Application does not “approve” or “deny” appraisals, nor does the absence or presence of flags or messages generated by the Licensed Application indicate an appraisal is acceptable or unacceptable.

(ii) 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) Third Party Access. Licensee may not designate or allow any third parties other than its independent and affiliated underwriting and quality control contractors (“Underwriting and QC”

- Contractors”) to use the Licensed Application or otherwise have access to Output. Licensee’s Underwriting and QC Contractors may not (A) disclose, aggregate or distribute CU Output to third parties or (B) use CU Output for any purpose other than assisting Licensee in Licensee’s pursuit of the purposes identified in 3(b)(i). Licensee assumes full responsibility for the consequences of such Underwriting and QC Contractors’ disclosure or use of the Licensed Application or the Output in violation of the Agreement.
4. Priority. Without limiting the generality of the terms of the Section of the Master Terms entitled “Entire Agreement; Priority,” Licensee acknowledges and agrees that: (a) this Schedule supersedes and replaces any Shipping and Delivery Applications Schedule currently in effect between Licensee and Fannie Mae, in its entirety, and (b) any such Shipping and Delivery Applications Schedule and all licenses granted under it shall be null and void as of the effective date of this Schedule.
 5. Termination. Notwithstanding the terms of the Section of the Master Terms entitled “Term and Termination,” Fannie Mae reserves the right to immediately suspend or terminate Licensee’s right to access and use the Licensed Application(s) or terminate this Schedule if it determines, in its sole discretion, that Licensee has violated the terms of this Schedule, misused the Licensed Application or otherwise used the Licensed Application for other than its intended purpose.