



Correspondent Lending Seller Guide

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Table of Contents

1	Introduction.....	1
1.1	Welcome to Silvergate Bank Correspondent Lending.....	1
1.2	Program Overview, Communications, and Support.....	1
1.3	Representations, Warranties, and Covenants.....	2
1.4	Maintenance of Good Standing.....	2
2	Client Approval, Ongoing Eligibility, and Recertification.....	2
2.1	General Client Approval Criteria.....	3
2.2	Client Approval Documentation.....	3
2.3	Client-Specific Documentation.....	3
2.4	Client Recertification.....	4
3	Client Support and Key Contact Information.....	5
3.1	Dedicated Relationship Management.....	5
3.2	Reports and Bulletins.....	5
4	Pricing Policies and Procedures.....	5
4.1	Daily Pricing.....	5
4.2	Immediate Intra-Day Pricing Changes.....	5
4.3	Hours of Operation.....	6
5	Mortgage Loan Registration, Rate Lock Options, and Pricing.....	6
5.1	Mortgage Loan Registration and Rate Locks.....	6
5.2	Best Efforts Rate Lock Commitments.....	6
5.3	Best Efforts Rate Lock Extensions.....	6
5.4	Best Effort Suspended Delivered Loans.....	6
5.5	Expired Best Efforts Rate Locks.....	7
5.6	Rate Lock Commitment Pull-Through and Incentives.....	7
5.7	Rate Lock Approvals.....	7
5.8	Rate Lock Cancellations.....	8
5.9	Duplicate Rate Locks.....	8
5.10	Mandatory Policy.....	8
5.10.1	Mandatory Suspended Loans.....	8
5.10.2	Mandatory Lock Procedures.....	9
5.10.3	Mandatory Bulk Policy.....	9
5.10.4	Mandatory Bulk Terms.....	9
5.10.5	Mandatory Bulk Program Change after Executed Trade.....	9
5.10.6	Mandatory Bulk Substitution Policy.....	9
5.10.7	Mandatory Bulk Extension Policy for Loans Delivered.....	10

5.10.8	Mandatory Bulk Extension Policy for Loans Not Delivered	10
5.10.9	Mandatory Bulk Confirmations.....	10
5.10.10	Mandatory Bulk Pair-Off (MBS) Fee.....	10
5.10.11	Mandatory Single Loan Policy	11
5.10.12	Mandatory Single Loan Program Change after Executed Trade.....	11
5.10.13	Mandatory Single Loan Substitution Policy	11
5.10.14	Mandatory Single Loan Extension Policy for Loans Delivered	11
5.10.15	Mandatory Single Loan Extension Policy for Loans Not Delivered.....	11
5.10.16	Mandatory Single Loan Confirmations	12
5.10.17	Mandatory Single Loan Re-Locked Loans.....	12
5.10.18	Mandatory Single Loan Pair-Off Fee	12
5.11	Re-Lock Policy	12
6	Mortgage Loan Submissions.....	12
6.1	Loan Submission Documentation Requirements	13
6.2	Alterations to Standard Fannie Mae/Freddie Mac Documents.....	13
6.3	Loan Submission Processing	14
7	Review and Processing Decisions and Notifications.....	14
7.1	Mortgage Loan Submissions.....	14
7.2	Electronic/Imaged Delivery Setup	14
7.3	Prior-to-Funding Review (Optional)	14
7.3.1	Loans Determined to be Ineligible.....	14
7.4	Pre-Purchase Reviews, Decisions, and Notifications	14
7.4.1	Final Eligibility – No Conditions.....	15
7.4.2	Conditional Eligibility.....	15
7.5	Review Condition Inquiries and Changes to Mortgage Loans	15
7.6	Applicant/Borrower Notifications	15
7.7	Review Fees.....	15
7.8	Compliance Regulations Overview.....	15
8	Mortgage Loan Delivery	16
8.1	Imaged Delivery Setup.....	16
8.2	Delivery of Mortgage Loan Collateral and Final Documents.....	16
8.3	Mortgage Note Date Tolerance	16
8.4	Corrections to Documents	16
8.5	Signature Requirements.....	16
8.6	Notary	17
8.7	Mortgage Note Endorsement	17
8.8	Allonge and Signature Requirements.....	17

8.9	Tax Service.....	17
9	Silvergate Products and Program Highlights.....	17
10	Mortgage Loan Purchase Process Overview.....	18
10.1	Transfer of Servicing/Payment Purchased.....	18
10.2	Payment Histories.....	18
10.3	Accrued Interest.....	18
10.4	Disbursement of Funds for Mortgage Loan Purchase.....	19
10.5	Bailee Letters and Delivery Requirements.....	19
10.6	Escrow Payments.....	19
10.7	Real Estate Taxes.....	19
10.8	Escrow/Impound Accounts.....	20
10.9	Allowable and Unallowable Escrow/Impounds.....	20
11	Transfers of Servicing.....	21
11.1	Client Goodbye and Silvergate Welcome Letters.....	21
11.2	MERS Registrations.....	22
12	Outstanding/Follow-Up Documentation.....	23
12.1	Aged Trailing Documentation.....	23
13	Customer Complaint Notification Procedure.....	23
13.1	Bank Policy.....	23
13.2	Required Information.....	23
14	Appendix.....	24
14.1	Notice of Ownership Change to Silvergate and Servicing Transfer to Dovenmuehle.....	24
14.2	Temporary Coupon.....	26

1 Introduction

1.1 Welcome to Silvergate Bank Correspondent Lending

Thank you for your interest in Silvergate Bank and Silvergate Correspondent Lending (“Silvergate”). We look forward to having the opportunity to earn your business. Our experienced management team is committed to seeing that your experience with Silvergate truly redefines the level of service you expect and deserve. Again, we look forward to serving you as our business partner!

1.2 Program Overview, Communications, and Support

Silvergate purchases closed Mortgage Loans from Correspondent Sellers (“Clients”), providing a reliable source of liquidity for high quality Mortgage Loans. Silvergate offers specialized products and services designed to support Client needs, in particular market niches, which may obviously change over time. The following highlights information that will facilitate the submission and delivery process.

Note: Silvergate Bank does not originate loans and acts solely as a secondary market purchaser. Silvergate is not to be considered a “creditor” within the meaning of the Equal Credit Opportunity Act (ECOA) and Regulation B. Silvergate does not participate in any Seller credit or loan decision.

Client Seller’s Guide: This Client Seller Guide (“Guide”) sets forth detailed terms and conditions governing a Client’s relationship with Silvergate. Because the information contained in this Guide is incorporated by reference into the Correspondent Loan Purchase Agreement (CLPA), Clients are encouraged to become familiar with the information contained in this Guide. Unless separately defined in this Guide, capitalized terms herein have the meanings set forth in the CLPA.

Guide Updates: Silvergate periodically updates the Guide to reflect changes in Silvergate products and processes. Silvergate will communicate each update by means of written notification, which will also be posted on the Silvergate web page that is accessible via the Silvergate website (www.silvergatecorrespondent.com). Program guidelines are subject to change and may be amended without prior notice.

Availability of Guide: The Guide contains proprietary information intended for the exclusive use of Silvergate Clients to which the Guide is made available.

Client Communications to Silvergate: Unless expressly provided in the Guide, all notices, demands, and other critical communications from the Client shall be distributed as specified in the [Client Support and Key Contact Information](#) section of this Guide.

Legal Notifications: Legal notifications to Clients will be provided according to the terms and conditions specified in the CLPA.

Silvergate Commitment to Fair Lending: Silvergate’s policy is to offer and extend all of its products and services, including credit products, to any qualified applicant without regard to race, sex, religion, color, national origin, age (provided that the applicant has the capacity to contract), marital status, family status, disability, veteran status, sexual orientation, gender identity, applicant’s receipt of income from a public assistance program, applicant’s exercise in good faith of rights under the Consumer Credit Protection Act, or any classification protected by applicable law. These laws include but are not limited to the ECOA and the Fair Housing Act, Servicemembers Civil Relief Act,

applicable federal and state anti-predatory lending laws and other laws, including the Federal Trade Commission Act, that prohibit unfair or deceptive practices in the extension of credit, as well as their implementing regulations. Correspondent partners are urged to consult with their Legal and Compliance departments for all of the revisions, information, interpretation and/or additional requirements related to Fair Lending Policies. Silvergate has a comprehensive fair lending program, which starts with a commitment to fair lending by our executive management and Board of Directors and extends to our knowledgeable staff. We use the best available analytic tools to ensure that management is informed of our fair lending performance and can provide appropriate oversight of fair lending practices. Silvergate will monitor correspondent lending performance to ensure applicants are treated consistently and fairly.

1.3 Representations, Warranties, and Covenants

By agreeing to sell Mortgage Loans to Silvergate in accordance with the provisions of the CLPA and this Guide, the Client hereby represents, warrants, and covenants to Silvergate, as of the date of the CLPA and as of the date of Silvergate's purchase of each Mortgage Loan, to comply and maintain compliance with all the provisions in the CLPA, Guide, and any other agreement by and between Silvergate and Client. Client represents that it has all requisite power and authority to execute and enter into the CLPA and to perform the obligations contained within the CLPA and the Guide.

The execution and delivery of the CLPA and all documents, instruments, and agreements required to be executed by Client have been duly and validly authorized by all necessary action of Client. The CLPA constitutes a valid, legal and binding agreement of Client enforceable by Silvergate, or its assignees, in accordance with its terms subject to bankruptcy, insolvency, reorganization, receivership or other laws affecting rights of creditors and general equity principles.

1.4 Maintenance of Good Standing

Client represents and warrants to Silvergate, that it is and will continue to be duly organized, validly existing, and in good standing under the laws of the United States or under the laws of the jurisdiction in which it was incorporated or organized, as applicable, and has and will continue to maintain all licenses, registrations, and certifications necessary to carry on its business as now being conducted, and is and will continue to be licensed, registered, qualified, and in good standing in each state where property securing a Mortgage Loan is located if the laws of such state require licensing, registration, or qualification in order to conduct business of the type conducted by Client.

2 Client Approval, Ongoing Eligibility, and Recertification

Participation in Silvergate's programs requires that Clients successfully implement and maintain acceptable financial, regulatory and performance standards.

Silvergate retains the right to approve or terminate a Client relationship at its sole discretion with or without cause. In addition, Silvergate retains the right to change approval and recertification standards based upon industry, compliance, regulatory, or corporate policy changes and may choose to modify a relationship decision on criteria not covered in this Guide. Silvergate's Sales and Marketing Director is available to assist throughout the approval and activation process.

2.1 General Client Approval Criteria

The general approval/eligibility criteria for Clients interested in activation with Silvergate are as follows.

Non-Depository Lenders:

- Company operating for a minimum of 2 years as a mortgage banker or minimum 5 years' experience of principals;
- Minimum tangible net worth of \$1,000,000;
- Client must be "approved and in good standing" with at least two secondary market investors;
- Evidence of ability to manage mandatory deliveries via investor approvals and sample reports;
- Audited year-end financial statements (2 years); and
- Current interim financial statements.

Insured Depository Institutions:

- Tier 1 leverage capital ratio of 8% or greater;
- Adequate liquidity as determined by Silvergate during due diligence review; and
- Acceptable explanation of any formal or informal regulatory enforcement actions (e.g., Cease and Desist Order, Consent Order, Memorandum of Understanding).

2.2 Client Approval Documentation

Documentation required to facilitate the approval process includes the completion of the following forms or agreements:

- Correspondent Client Application;
- Executed CLPA and Limited Power of Attorney;
- Secretary's Certification of Adoption of Resolution from the Board of Directors designating individuals authorized to sign the CLPA and otherwise act for the Client, or equivalent documentation for partnerships and LLCs;
- Compliance Controls Questionnaire; and
- Request for Taxpayer Identification Number and Certification (Form W-9).

2.3 Client-Specific Documentation

In addition to the above forms or agreements, Clients are requested to provide the following specific documents, where applicable:

- Letters addressing any items in the application requiring clarification;
- Organizational chart;

- Current business plan/strategy for upcoming fiscal year;
- Corporate resume or narrative describing the history and general scope of the applicant's operation;
- Copy of Articles of Incorporation and By-Laws or similar documents for partnerships and LLCs;
- List of all state licenses;
- Copies of agency approval letters;
- Resumes of all principals, key managers, and underwriters;
- Recent performance scorecards from investors and existing warehouse lenders (if applicable);
- Copy of Quality Control Policies and Procedures, along with the applicant's most recent three months' audit results;
- Copy of Mortgage Loan Originator Compensation Policy;
- Copy of Compliance Policies and Procedures;
- Copy of Hedging Policies and Procedures with sample reports (if applicable);
- Complete copy of Fidelity Bond and Errors and Omissions insurance policies (**Note:** Minimum of \$1,000,000 in coverage with \$25,000 maximum deductible);
- Last 2 full years of audited financial statements;
- Interim financial statements for most recent quarter;
- Branch office listing;
- Listing of loan repurchases, make whole, and indemnification requests received in the preceding 2 years;
- AML/SAR Program Policy; and
- Disclosure of the prospective Client's ownership or beneficial interests in any mortgage loan settlement services providers (including title, legal, credit, appraisal, inspection, escrow/closing, insurance, etc.).

2.4 Client Recertification

In order to retain approval, Clients are required to immediately notify Silvergate in writing of any and all substantive changes to their organization, including but not limited to capital, legal, regulatory, and organizational changes.

Silvergate will recertify the status of all Clients annually but may, in its sole and absolute discretion, elect to review more frequently.

3 Client Support and Key Contact Information

This section contains information regarding staff roles and responsibilities.

3.1 Dedicated Relationship Management

Silvergate's Sales and Marketing Director and Operations staff are committed to ensuring our Clients receive superior service. To better serve our Clients, we strive to be informed of your business activities, strategies, and needs. Our experience confirms that the most successful Client relationships occur when multiple parties within both organizations have access to their counterparts. In addition, ongoing on-site visits, conference calls, and industry conference meetings that permit executives within the organizations to meet with Silvergate staff enhances the customer service effort.

3.2 Reports and Bulletins

In Focus Bulletins will be delivered to the Client electronically and may be simultaneously posted on the Silvergate Bank Correspondent Lending website.

4 Pricing Policies and Procedures

Silvergate's pricing policies and procedures are designed to provide a balance between offering competitive secondary market execution options and assuming reasonable interest rate risk. Clients have the ability to execute a variety of rate lock commitment options.

Mortgage Loan rate locks must comply with the provisions and guidelines herein, the CLPA, and the In Focus Bulletins that may be issued from time to time. Silvergate reserves the right to refuse to purchase any Mortgage Loan that does not meet the terms and conditions herein.

Due to the potentially volatile nature of interest rates and the secondary market, Silvergate reserves the right to modify or discontinue pricing parameters and policies without prior notice.

4.1 Daily Pricing

Silvergate will post daily Best Efforts Mortgage Loan commitment pricing by 8:00 a.m. Pacific Time, unless unforeseen events delay such posting. All posted pricing is on a servicing released basis, with all applicable servicing released premiums (SRPs) included in the pricing.

Pricing data will be distributed daily as Rate Sheets via email and will be archived. The Rate Sheets are not intended for distribution to the general public and consumers. Silvergate reserves the right to make intra-day changes or suspend pricing without notice.

Rate Sheets contain all applicable pricing, including but not limited to product codes, interest rates, pricing, loan level price adjustments, lock periods, and applicable states.

4.2 Immediate Intra-Day Pricing Changes

Silvergate reserves the right to change pricing or stop accepting rate locks at any time, without prior notification. However, Silvergate will make every attempt to provide prior notification of price or adjustment changes via an "Immediate Intra-Day Price Change."

Rate lock requests received prior to any “Immediate Intra-Day Pricing Change” will be honored at the price in effect prior to the change. Rate lock requests received after the “Immediate Intra-Day Pricing Change” will be honored at the new, effective price. Rate Sheets are only an indication of pricing until such time that a fully completed Loan Registration/Rate Lock Request Form is transmitted and received by the Lock Desk.

4.3 Hours of Operation

Silvergate will accept loan registrations and/or rate locks from approved Clients from 6:00 a.m. – 4:00 p.m. Pacific Time, Monday through Friday, excluding Silvergate holidays.

5 Mortgage Loan Registration, Rate Lock Options, and Pricing

5.1 Mortgage Loan Registration and Rate Locks

Clients may both register Mortgage Loan files and request a rate lock through the Lock/Registration link on the Silvergate webpage.

5.2 Best Efforts Rate Lock Commitments

Upon the approval of a Best Efforts rate lock commitment, the market risk exposure to the interest rate is assumed by Silvergate during the rate lock term. In exchange for Silvergate’s assumption of the financial exposure that coincides with interest rate risk management, Clients assume the responsibility of Mortgage Loan delivery on or prior to the delivery date as set forth on the lock confirmation. The expiration of a Best Efforts commitment does not relieve the Client from its obligation to deliver a closed Mortgage Loan to Silvergate, nor will it afford the Client the opportunity to benefit from changing market conditions.

Silvergate retains the right, in its sole discretion, to charge a pair-off fee in the event that the Client failed to deliver any Mortgage Loan that had been locked with Silvergate under a Best Efforts commitment and is sold to another investor.

5.3 Best Efforts Rate Lock Extensions

Best Efforts rate lock extensions may be executed during normal business hours on or prior to the rate lock expiration date. Silvergate offers 15- and 30-day extensions. Pricing adjustments for Best Efforts commitments are posted on the daily Rate Sheets and are subject to change without notice. Clients are advised to extend active rate locks and avoid exposure to market fluctuations in cases where on-time, good delivery may not occur due to unforeseen circumstances.

5.4 Best Effort Suspended Delivered Loans

Silvergate only purchases loans that are submitted with complete credit and funding documents. If a document or other type of deficiency is found to exist, the loan will not be purchased by Silvergate until such time as the deficiency is corrected. Prior to the date of correction, such loan will be placed in a “Pending Conditions” status.

Silvergate may charge suspended delivered loan fees, as published on the daily Rate Sheet:

- If loan is delivered prior to the lock expiration date, a grace period of 5 calendar days will be afforded from the date of the Suspense Notification for all conditions to be delivered. After the grace period expires, if the loan is not purchased and the lock has expired, then the loan is subject to the daily charge posted on the Silvergate rate sheet.
- Suspended delivered loan fees will be calculated on a per diem basis for the number of calendar days the loan remains in suspense, up until the date the loan is purchased.
- If any deficiencies are not cleared within 30 days of the loan being placed in suspense, Silvergate, in its sole discretion, may return the loan to the Correspondent and charge a pair-off fee.
- If Silvergate, in its sole discretion, allows the loan to remain in suspense for longer than 30 days, the suspended delivered loan fees, as published on the Rate Sheet, will continue to accumulate until the loan is purchased.
- If Silvergate, in its sole discretion, allows the loan to remain in suspense for longer than 30 days, the loan may be re-priced to the then current market and all previously applied fees will remain on the loan.
- Rates that are not posted on the current Rate Sheet are considered illiquid and will be considered on a case-by-case basis.
- All loan fees, including but not limited to the suspended delivered loan fees, extension and/or re-lock-renegotiated fees, will accumulate by the day and the Correspondent will be charged a per diem rate reflected on the Rate Sheet for that particular day, and all previously applied fees will remain on the loan until either the loan is funded or canceled.

5.5 Expired Best Efforts Rate Locks

Expired rate locks may be re-locked at “lower of” (aka “worse of”) current market prices or the last price in effect for the expired Mortgage Loan for a period of up to 60 days following the rate lock expiration date. Thereafter, expired Best Efforts may be eligible for a new rate lock and pricing based upon current market levels. Any rate lock expiring on a weekend or Silvergate holiday will be moved to the next business day.

5.6 Rate Lock Commitment Pull-Through and Incentives

Fall-out is defined as any Mortgage Loan locked (committed) and not delivered for any reason. Pull-through is the percentage of the dollar amount of Mortgage Loans purchased relative to the dollar amount of Mortgage Loans rate locked. Clients who limit Silvergate’s exposure by delivering increased percentages of purchasable production may be entitled to improved pricing terms, while Clients with pull-through percentages below 70% may be subjected to less advantageous pricing with potential for program termination.

5.7 Rate Lock Approvals

If Silvergate approves a rate lock request, an email notice to the Client will be generated confirming this action, generally within 24 hours; failure to receive such a confirming email will indicate the rate

lock request was not approved. Clients should monitor their rate lock requests for approval or non-approval and contact Silvergate to review any concerns.

5.8 Rate Lock Cancellations

Best Efforts rate locks may be amended or cancelled within 24 hours of submission. Contact Silvergate directly to discuss any requests for rate lock cancellations.

5.9 Duplicate Rate Locks

Clients are expected to monitor their pipelines to avoid duplications. Any questions in this regard should be addressed to Silvergate's Product Support Coordinator.

5.10 Mandatory Policy

This policy addresses Correspondent seller pricing requirements for mandatory trades including Mandatory Bulk and Mandatory Single loans.

5.10.1 Mandatory Suspended Loans

Silvergate only purchases loans that are submitted with complete credit and funding documents. If a document or other type of deficiency is found to exist:

- The loan will not be purchased by Silvergate until such time as the deficiency is corrected. Prior to the date of correction, such loan will be placed in suspense in the Silvergate system. Silvergate may charge suspended delivered loan fees, as published on the Silvergate Rate Sheet, on such loans if the deficiency is not corrected and as result Silvergate does not purchase the loan by the commitment expiration date for Mandatory Bulk loans and by the lock expiration date for Mandatory Single Loan.
- Suspended delivered loan fees will be calculated on a per diem basis for Mandatory Bulk and Mandatory Single loans for the number of calendar days the loan remains in suspense, up until the date the loan is purchased.
- If any deficiencies are not cleared within 30 days of the loan being placed in suspense, Silvergate, in its sole discretion, may return the loan to the Correspondent and charge a pair-off fee.
- If Silvergate, in its sole discretion, allows the loan to remain in suspense for longer than 30 days, the suspended delivered loan fees, as published on the Rate Sheet, will continue to accumulate until the loan is purchased.
- If Silvergate, in its sole discretion, allows the loan to remain in suspense for longer than 30 days, the loan may be re-priced to the then current market and all previously applied fees will remain on the loan.
- Rates that are not posted on the current rate sheet are considered illiquid and will be considered on a case-by-case basis.
- All loan fees, including but not limited to the suspended delivered loan fees, extension and/or re-lock-renegotiated fees, will accumulate by the day and the Correspondent will be charged a per diem rate reflected on the rate sheet for that given day, and all

previously applied fees will remain on the loan until either the loan is funded or canceled.

5.10.2 Mandatory Lock Procedures

Pipelines should be managed properly to maximize execution and avoid extensions. Loans must be delivered within 5 calendar days of the lock date in order to be eligible for the grace period, as detailed in this Guide.

Mandatory Lock Procedures apply for Mandatory Bulk and Mandatory Single.

5.10.3 Mandatory Bulk Policy

The policy for Mandatory Bulk is as follows:

- Correspondents must be approved for mandatory trading prior to submitting a bid request.
- Mandatory Bulk bids are available when aggregate volume is \geq \$1 million, and are subject to a live bid (and corresponding market movement).

If the loan was delivered within 5 calendar days of the lock date, a grace period of 5 calendar days will be afforded from the date of the Suspense Notification for all conditions to be delivered. After the grace period expires, if the loan is not purchased and the lock has expired, the loan is subject to a fee of 2 bps per day.

Note: Any trade less than 14 days does not have the grace period and is subject to a roll fee of 1.5 bps per day.

5.10.4 Mandatory Bulk Terms

The terms for Mandatory Bulk are as follows:

- Trades must be finalized between 6:00 a.m. and 2:00 p.m. Pacific Time. Incomplete and/or inaccurate trade requests will not be processed.
- Silvergate reserves the right to cancel a trade if supplemental data is not uploaded on the day of the trade.

5.10.5 Mandatory Bulk Program Change after Executed Trade

Program changes are not allowed on Mandatory Bulk.

5.10.6 Mandatory Bulk Substitution Policy

Substitutions for Mandatory Bulk are permitted on a case-by-case basis with the following restrictions:

- Substituted loan must comply with original expiration dates.
- Borrower and loan characteristics must be similar.

Any prior extension fees accumulated still apply.

5.10.7 Mandatory Bulk Extension Policy for Loans Delivered

Mandatory Bulk Extension Policy for loans delivered is as follows:

- If the loan was delivered within 5 calendar days, a grace period of 5 calendar days will be afforded from the date of the Suspense Notification for all conditions to be delivered. After the grace period expires, if the loan is not purchased and the lock has expired, the loan is subject to a per day charge of 2 bps.

Note: Any trade less than 14 days does not have the grace period and is subject to a roll fee of 1.5 bps per day.

- Loans may be extended up to 60 days, subject to a per day charge.
- Loan extensions may exceed 60 days on a case-by-case basis.
- Any loan that has not been purchased within 60 days of the commitment (“lock” for Single Loan) expiration date may be paired-off.

5.10.8 Mandatory Bulk Extension Policy for Loans Not Delivered

A commitment (“lock” for Single Loan) extension is available for unexpired loans that have not been delivered under the following restrictions:

- Silvergate must be notified prior to the commitment expiration date.
- Loans may be extended up to 60 days, subject to a 2 bps charge per day.
- Any loan that is not delivered within 7 days of the commitment (“lock” for Single Loan) expiration date may be paired-off.
- Any loan that has not been purchased within 60 days of the commitment (“lock” for Single Loan) expiration date may be paired-off.
- A loan that is delivered outside of 7 days of the original commitment expiration date will be considered on a case-by-case basis and may be subject to the lower of current market price/original market price, plus any accumulated fees.

5.10.9 Mandatory Bulk Confirmations

Within 24 hours after receipt of a lock request, Silvergate will email a confirmation to the Correspondent.

5.10.10 Mandatory Bulk Pair-Off (MBS) Fee

A pair-off fee may be assessed, at Silvergate’s discretion, if a loan in a Mandatory commitment is not delivered or purchased. The market price used to determine the pair-off pricing is at the time the loan is canceled (either by Silvergate or Correspondent). To determine the pair-off fee:

If the MBS price on the pair-off date is worse/lower than the original MBS price (rates have increased), there will not be a pair-off fee assessed.

If the MBS price on the pair-off date is better/higher than the original MBS price (rates have decreased), the pair-off fee will be market movement multiplied by the unpurchased amount of the original commitment amount +/- the 2.00% trade tolerance.

5.10.11 Mandatory Single Loan Policy

A Mandatory Single Loan transaction is eligible for a pay-up of 5 bps to the Best Effort Rate Sheet. The loan must be purchased by the end of the lock expiration date. If the loan is not purchased, it will either be extended or a pair-off fee will be assessed.

5.10.12 Mandatory Single Loan Program Change after Executed Trade

Program changes are not allowed on Mandatory Single Loan trades.

5.10.13 Mandatory Single Loan Substitution Policy

Substitutions for Mandatory Single Loan trades are permitted on a case-by-case basis with the following restrictions:

- Substituted loan must comply with original expiration dates.
- Borrower and loan characteristics must be similar.
- Any prior extension fees accumulated still apply.

5.10.14 Mandatory Single Loan Extension Policy for Loans Delivered

If the loan was delivered prior to the lock expiration date, a grace period of 5 calendar days will be afforded from the date of the Suspense Notification for all conditions to be delivered. After the grace period expires, if the loan is not purchased and the lock has expired, the loan is subject to a fee of 2 bps per day.

Note: Any trade less than 14 days does not have the grace period and is subject to a roll fee of 1.5 bps per day:

- Loan may be extended up to 60 days, subject to a 2 bps charge per day.
- Loan extensions may exceed 60 days on a case-by-case basis.
- Any loan that has not been purchased within 60 days of the commitment (“lock” for Single Loan) the expiration date may be subject to a pair-off fee.

5.10.15 Mandatory Single Loan Extension Policy for Loans Not Delivered

A lock extension is available for unexpired loans that have not been delivered under the following restrictions:

- Silvergate must be notified prior to the commitment expiration date.
- A loan may be extended up to 60 days, subject to a 2.5 bps charge per day.
- Any loan that is not delivered within 5 days of the commitment (“lock” for Single Loan) expiration date may be paired-off.
- Any loan that has not been purchased within 60 days of the commitment (“lock” for Single Loan) expiration date may be paired-off.

- A loan that is delivered outside of 5 days of the original commitment expiration date will be considered on a case-by-case basis and may be subject to the lower of current market price/original market price, plus any accumulated fees.

5.10.16 Mandatory Single Loan Confirmations

After a Single Loan Mandatory lock request is completed, a lock confirmation is available on the Silvergate Correspondent Purchasing System. Single Loan Mandatory locks can also be extended on the Purchasing System. Direct Trade and Bulk Bid Commitments will be emailed immediately after the trade is committed by the Mandatory Trade Desk.

5.10.17 Mandatory Single Loan Re-Locked Loans

Silvergate does not offer re-locks on Mandatory Single Loans.

5.10.18 Mandatory Single Loan Pair-Off Fee

A pair-off fee may be assessed, at Silvergate's discretion, if a loan in Mandatory commitment is not delivered or purchased. The market price used to determine the pair-off pricing is at the time the loan is canceled (either by Silvergate or Correspondent). To determine the pair-off fee:

- If the MBS price on the pair-off date is worse/lower than the original MBS price (rates have increased), there will not be a pair-off fee assessed.
- If the MBS price on the pair-off date is better/higher than the original MBS price (rates have decreased), the pair-off fee will be market movement multiplied by the unpurchased amount of the original commitment amount +/- the 2.00% trade tolerance.

5.11 Re-Lock Policy

Following is the Silvergate Re-Lock Policy:

- If the original lock expires without extending it, the loan is eligible to re-lock at worst-case pricing plus a -.250 re-lock fee. A re-lock will come with a 15-day extension. Additional time is available at our normal extension cost structure.
- Worst-case pricing is evaluated between the original lock price or current market, whichever price is worse.
- Loan can be re-locked at current market rate after it is greater than 30 days expired. Mandatory loans are not eligible for re-lock.

6 Mortgage Loan Submissions

All Mortgage Loans must be submitted as specified in this Guide and are subject to review prior to purchase, in accordance with the CLPA and subsequent bulletins or notifications issued from time to time.

This section outlines guidelines for Mortgage Loan submissions. It does not address all documents required by the applicable legal entity in the state in which such Mortgage Loan is originated. All

required documents must be included in the Mortgage Loan package and must comply with the legal and regulatory warranties set forth in the CLPA.

6.1 Loan Submission Documentation Requirements

Silvergate requires that all loan submissions be complete at submission. A specific stacking order is not required. Items that should be included are listed below. As noted previously, all state-specific documentation will also need to be included:

- Fannie Mae Desktop Underwriter (DU) file, version 3.2,
- Correspondent approval notice/lenders credit decision,
- Confirmation of loan registration and rate lock,
- Income worksheet and/or credit memo with detailed income calculation explanation,
- Automated Underwriter System (AUS) DU findings or Loan Eligibility Form,
- HUD 1008,
- HUD 1003,
- Product-specific income requirements,
- Tri-merge credit reports,
- Asset documentation,
- Title commitment,
- Tax certification,
- Required appraisals,
- Executed purchase agreement and deposit issuance and receipt documentation,
- Flood determination (life of loan),
- Initial Loan Estimate (LE), Change of Circumstance (COC), and any revisions,
- All other federal- and state-mandated forms,
- Other Patriot Act-eligible identification documentation, and
- Permanent resident alien documentation.

Clients must be fully compliant with all aspects of their loan origination policies and procedures and comply with all state and federal regulations. Silvergate encourages its Clients to seek advice from legal counsel and/or compliance experts to ensure that all regulatory requirements have been met.

6.2 Alterations to Standard Fannie Mae/Freddie Mac Documents

Client shall not alter standard Fannie Mae/Freddie Mac documents except as may be strictly necessary to conform to Silvergate Non-QM ARM Mortgage Loan parameters, or to comply with local jurisdictional requirements. To avoid potential processing delays Client should refrain from making any other additions or alterations without prior written consent from Silvergate.

6.3 Loan Submission Processing

Mortgage Loan submissions will be reviewed for compliance with the documentation requirements listed above, and if incomplete, Clients will be notified of specific information and/or documentation deficiencies and be given 14 business days to correct such deficiencies.

7 Review and Processing Decisions and Notifications

7.1 Mortgage Loan Submissions

The Mortgage Loan submission package is defined as a Mortgage Loan package that is delivered to Silvergate for review prior to purchase (this covers all Silvergate product programs at this time). Each Mortgage Loan must be registered with Silvergate and fully underwritten by the Client in accordance to this Guide prior to submission.

7.2 Electronic/Imaged Delivery Setup

Clients must use the e-delivery/imaging functionality available through the Silvergate webpage for loan file delivery.

7.3 Prior-to-Funding Review (Optional)

The prior-to-funding review serves as a mechanism to validate eligibility of Mortgage Loans originated and underwritten by the Client. Clients are expected to fully underwrite such loans.

Clients are reminded that Regulation B (ECOA) requires that within 30 days of receiving a completed application, a creditor, in this case the Client, notify an applicant of action taken concerning the creditor's approval of, counteroffer to, or adverse action on the application, or of any incompleteness.

Mortgage loans must be locked prior to submission for review. All submissions must include the Silvergate Mortgage Loan number, loan product, Client's fax number, and the name and telephone number of the Client's contact person.

7.3.1 Loans Determined to be Ineligible

In the event a Mortgage Loan submitted does not meet Silvergate's guidelines, Silvergate will provide the Client a Notification of Ineligible for Purchase. It is the Client's responsibility to provide the "Adverse Action Notification" to its applicant(s), as appropriate, and in accordance with content and timing requirements of Regulation B and the Fair Credit Reporting Act (FCRA).

7.4 Pre-Purchase Reviews, Decisions, and Notifications

When a review decision on a Mortgage Loan requiring prior eligibility determination is made, Silvergate notifies the Client. The Mortgage Loan decision will be one of the following:

- Final Eligibility Notice – No Conditions,
- Conditional Eligibility, or
- Loan Determined to be Ineligible.

7.4.1 Final Eligibility – No Conditions

If a Mortgage Loan is determined to meet all program requirements without any further conditions required to be satisfied, Silvergate will so notify the Client, which may proceed to work with Silvergate's Closing Coordinator to finalize the Loan's sale to Silvergate, which will retain a Mortgage Loan copy file.

7.4.2 Conditional Eligibility

Silvergate may determine a Mortgage Loan eligible subject to certain conditions based on program guidelines in effect at the time of review. All specified conditions must be cleared to the satisfaction of Silvergate for a Final Eligibility Notice to be issued.

7.5 Review Condition Inquiries and Changes to Mortgage Loans

A question regarding what is appropriate to satisfy a condition should be directed to the assigned Silvergate contact. If changes are necessary to applicant/borrower information, property, or Mortgage Loan terms after a Mortgage Loan has been reviewed for purchase, the Client should upload the applicable changes to the secure portal for review.

7.6 Applicant/Borrower Notifications

Clients are responsible for notifying the applicant/borrower of their credit decision. Regulation B (ECOA) requires that within 30 days of receiving a completed application, a creditor must notify an applicant of action taken concerning the creditor's approval of, counteroffer to, or adverse action on the application, or of any incompleteness.

7.7 Review Fees

The Client will be charged a review fee for all loans submitted to Silvergate for review. The fee will apply to all Mortgage Loans submitted and purchased by Silvergate. A breakdown of all fees can be reviewed on the daily Silvergate Rate Sheet.

7.8 Compliance Regulations Overview

Every Mortgage Loan will adhere to compliance requirements, including, but not limited to, the ECOA (Regulation B), Home Mortgage Disclosure Act (HMDA) (Regulation C), Real Estate Settlement Procedures Act (RESPA) (Regulation X), Privacy of Consumer Financial Information (Regulation P), Fair Housing Act, Fair Credit Reporting Act (Regulation V), Financial Institutions Reform, Recovery, and Enforcement Act, Truth-in-Lending Act (Regulation Z), Flood Disaster Protection Act, and Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act.

HMDA requires the compilation and reporting of data about applications received and about applicant characteristics. Clients should collect applicable HMDA data. Silvergate will report HMDA data for those applications in which it renders a credit decision and for all loans purchased through Correspondent channel. Client may have its own reporting obligations for applications which it makes a credit decision and/or loans it originates.

In the event a Mortgage Loan submitted does not meet Silvergate's guidelines, Silvergate will provide the Client a Notification of Ineligible for Purchase Consideration. It is the Client's responsibility to provide the "Adverse Action Notification" to the applicant as applicable.

Note: Silvergate will conduct periodic audits to ensure Client compliance. Clients must be fully compliant with all aspects of their loan origination policies and procedures and comply with all state and federal regulations. Silvergate encourages its Clients to seek advice from legal counsel and/or compliance experts to ensure that all regulatory requirements have been met.

8 Mortgage Loan Delivery

Clients are obligated to deliver all Mortgage Loans in purchasable form on or before 4:00 p.m. Pacific Time on the rate lock expiration date. Rate locks that expire on a Saturday, Sunday, or Silvergate holiday will automatically be extended to the next business day. Refer to the Lock Desk policies for further information.

8.1 Imaged Delivery Setup

Silvergate requires Clients to use the e-delivery/imaging functionality available through the Silvergate webpage for delivery of files for Mortgage Loan purchases. Silvergate staff welcomes the opportunity to facilitate the activation of this advantageous technology for improved efficiencies and effectiveness in Mortgage Loan delivery.

8.2 Delivery of Mortgage Loan Collateral and Final Documents

The original collateral package (fully executed Note, Addenda, Allonge/Endorsement, and Bailee letters) and all final trailing documentation should be delivered to the following location:

Silvergate Bank
4250 Executive Square, Suite 100
La Jolla, CA 92037

8.3 Mortgage Note Date Tolerance

The Mortgage Note date must be less than 30 days prior to the date of submission and less than 60 days prior to the date of Mortgage Loan purchase. Mortgage Notes dates that exceed tolerance may be subject to exception pricing.

8.4 Corrections to Documents

No white-outs or corrective coverings are allowed. Only a strikeout that is initialed by each borrower may be used to correct an error. Name corrections should only be initialed by the affected signer.

Double-sided, stapled, or taped documents are subject to additional service fees.

8.5 Signature Requirements

The names and signatures of each borrower must be consistent on all closing documents and must correspond to the names appearing in the Title Policy. The names must be inked (preferably in blue ink) exactly as they are typed on each document. Each borrower must sign directly above his/her

typed name in the signature portion of each document. A borrower may over-sign but not under-sign.

8.6 Notary

The notary signature must be on the line provided for the notary. The notary must comply with all applicable state laws, and the notary license must be current. The notary seal must be prominently displayed, and the expiration date must be visible. The notary stamp must be legible.

8.7 Mortgage Note Endorsement

The Mortgage Note must be endorsed to Silvergate Bank and signed by an authorized Officer as listed on the Secretary's Certification.

Sample endorsement format:

PAY TO THE ORDER OF:
Silvergate Bank, Without Recourse
(Name of Client)
By _____ (Signature of Officer)
(Print Officer's name and title)

8.8 Allonge and Signature Requirements

In addition to Mortgage Electronic Registrations System (MERS®) registration as provided for in Section 11.02, an Allonge to each Mortgage Note is required. The Allonge must contain the Client's name, Mortgage Loan number, loan amount, borrowers' names, subject property address, and date of Mortgage Note, and be executed by an authorized Officer. All data elements on the Allonge must exactly match the data on the Mortgage Note.

All closing packages must include a scanned copy of the original Allonge. Original Allonges should be mailed directly to the Client's Warehouse bank. If an Allonge was not provided, an original Mortgage Note endorsed to Silvergate Bank must accompany all collateral packages. Allonges must be properly endorsed to "Silvergate Bank, Without Recourse." Handwritten corrections are not acceptable.

8.9 Tax Service

A charge will be assessed for tax service transfers at the time of purchase. Please refer to the daily Rate Sheet.

9 Silvergate Products and Program Highlights

Silvergate will purchase Mortgage Loan types as described in the most current Product Guidelines and Rate Sheet materials. <https://www.silvergatebank.com/solutions/loans/correspondent-lending>

Note: Silvergate does not purchase High-Cost Mortgage Loans and it is the Client's responsibility to determine classification.

10 Mortgage Loan Purchase Process Overview

Upon determining eligible for purchase, the Mortgage Loan file will be prepared for purchase. This section discusses the various components for disbursement and net amounts calculations.

10.1 Transfer of Servicing/Payment Purchased

The amount due at purchase is based on the following calculation:

Principal Balance of Mortgage Loan multiplied by Base Price (SRPs are included) from the Lock Confirmation Form.

- (+/-) Increase or decrease to price for applicable loan level price adjustments
- (+/-) Increase or decrease for accrued interest
- (-) Escrow
- (-) Silvergate fees such as tax service, flood certification, pre-purchase review
- = Net proceeds of wire

The principal balance of Mortgage Loan on the Purchase Date will be calculated based on the effective date of the transfer of servicing as described below:

- Mortgage Loans purchased on or before the 14th of the month (or last business date prior to the 15th of month) will have an effective transfer of servicing date of the first of the month following purchase, based on full principal balance of the Mortgage Loan.
- Mortgage Loans purchased after the 14th of the month (or last business date prior to the 15th of month) will have an effective transfer of servicing date as the first day of the second month following the month in which the Mortgage is purchased. The principal balance purchased is the scheduled principal balance as of the last payment due Client. Client is entitled to retain the monthly payment due on the first day of the month following the month of purchase.

10.2 Payment Histories

If any payments have been made by the borrower or any disbursements have been made from the escrow account, the Client must provide a payment history showing all such transactions. The payment history must be dated within 7 calendar days of the purchase date. The Client is required to collect any payments that are net-funded by Silvergate from the borrower and provide Silvergate with a payment history as a follow-up document.

10.3 Accrued Interest

Accrued interest will be calculated based on the interest paid to date, which is the first of the month prior to the first payment due to Silvergate.

Accrued interest to be paid by the Client as described above will be calculated by multiplying the unpaid principal balance purchased by Silvergate by the interest rate, divided by 360 (365 if Federal Housing Administration [FHA]), and multiplied by the applicable number of days between the interest paid to date and the purchase date.

10.4 Disbursement of Funds for Mortgage Loan Purchase

Funds are wired the next business day following the date that all required documents are received and the Mortgage Loan has been approved for purchase. Upon determination of eligibility for purchase, the settlement amount is wired in accordance to instructions provided by the Client if no Bailee Letter is in place (See [Section 10.5, Bailee Letters and Delivery Requirements](#)).

10.5 Bailee Letters and Delivery Requirements

Silvergate will not purchase a Mortgage Loan without receipt of the collateral file, the original Mortgage Note and an appropriate Endorsement of Note (“Endorsement”) or Allonge. Refer to Sections [8.7, Mortgage Note Endorsement](#) and [8.8, Allonge and Signature Requirements](#) for requirements on the appropriate form of Endorsement or Allonge and delivery instructions.

If a Mortgage Loan is funded via a warehouse line and the warehouse lender asserts an ownership interest in the Mortgage Loan, the warehouse lender is required to ensure that a Bailee Letter is attached to the Mortgage Note or this may cause a delay in purchasing the Mortgage Loan file.

Upon purchase of a Mortgage Loan, Silvergate will wire funds pursuant to each Bailee Letter. In the event Silvergate does not purchase said Mortgage Loan, Silvergate will immediately return the collateral file to the appropriate party:

- Client Funded (No Warehouse Line) – Return to the Client.
- Warehouse Line – Return to the warehouse lender or document custodian pursuant to the Bailee Letter.

In the event a Client’s relationship with any of its warehouse lenders is terminated, for any reason, the Client is required to notify Silvergate immediately.

10.6 Escrow Payments

The origination, servicing, and collection practices with respect to the Mortgage Loan have been in all material respects in accordance with accepted Mortgage Loan servicing practices of prudent lending institutions, applicable laws and regulations, and have been in all material respects legal and proper. With respect to escrow deposits and escrow payments, all such payments are in Client’s possession and there are no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made.

10.7 Real Estate Taxes

Silvergate will charge a tax service fee on each Mortgage Loan purchased. The following tax payment rules apply:

- All payment of real property taxes and special or supplemental assessments must be current prior to closing the Mortgage Loan. Adequate escrow funds, when required, must be collected in compliance with all applicable laws to ensure the payment in full of real estate taxes and of all other taxes and assessments by the due date.
- The Client must pay any unpaid taxes that will become due within 60 days of the closing of the Mortgage Loan as shown on the CD, or 45 days from the purchase date of the Mortgage Loan.

- The legal document package must include a fully complete tax certificate (aka “Tax Information Sheet”) itemizing tax payee, amount of tax and next due date. In addition, a copy of the payment history must be provided with the delivery of the Mortgage Loan file as verification prior to purchase.

10.8 Escrow/Impound Accounts

Unless required by applicable law (Higher Priced Mortgage Loans – HPML) and/or pursuant to the guidelines set forth in this Section of the Guide, Silvergate does not require the establishment of an escrow/impound account for any Mortgage Loan. Client is responsible for complying with all applicable federal, state, and local laws and regulations relating to the creation of escrow/impound accounts and, prior to the transfer of the escrow account to Silvergate, the maintenance thereof.

The escrow/impound account must contain a 2-month escrow cushion for all items, with the exception of Mortgage Loan insurance, for which no cushion is required to be established. Client must comply with the appropriate state requirements when delivering Mortgage Loans to Silvergate.

10.9 Allowable and Unallowable Escrow/Impounds

The following items are to be included in the escrow/impound account:

- Real estate taxes,
- Hazard insurance premiums,
- HO6 policy (if Condo Master Policy does include “walls in” coverage), and
- Flood insurance premiums.

The following items are not held or paid for from an escrow/impound account:

- Ground rents,
- Water and sewer taxes,
- Homeowner’s association (HOA) dues,
- Fire hydrant taxes,
- Refuse taxes,
- Tax service fees,
- Special assessments, and
- Hazard insurance premiums for condo/planned unit development (PUD) properties (only if insurance is paid by HOA).

11 Transfers of Servicing

For Mortgage Loans sold to Silvergate Servicing Released, Client must notify each borrower and applicable insurer of the transfer of servicing of the Mortgage Loan as described below. All disclosure and notification to the borrowers must comply with applicable federal, state, local, and regulatory requirements.

The transfer of servicing date is essentially the same day as the purchase date. Silvergate will service all Mortgage Loans it purchases through its contract sub-servicer, Dovenmuehle Mortgage, Inc. (DMI), and Silvergate will send a Notice of Ownership Change and Servicing Transfer to all borrowers after purchase, in the form attached to this Guide as Exhibit A.

Clients are responsible for reporting all interest collected to the borrower. Any payments received from the borrower after the transfer of servicing must be sent either to DMI directly or to Silvergate.

11.1 Client Goodbye and Silvergate Welcome Letters

Clients should not notify borrowers to send any Mortgage Loan payments to DMI (our sub-servicer) until a Silvergate Purchase Advice has been received. The Silvergate Purchase Advice serves as confirmation that the Mortgage Loan has been purchased.

Note: Servicing Disclosure Statement must be provided to the borrower(s) by Client at the time of the Mortgage Loan application. A copy must be included in the credit package. Failure to do so may result in Mortgage Loan purchase delays.

The following is intended to avoid unnecessary customer service issues with Goodbye Letters¹ and Silvergate's Welcome Letters to borrowers.

Goodbye Letters must be prepared on the Client's letterhead, and include the following:

- Client's name, address, Mortgage Loan number, and toll free or collect call telephone number for an employee or department;
- Purpose of the letter (transfer of servicing);
- Notification that the Mortgage Loan will be serviced by Silvergate through its contract servicer, DMI;
- Effective date of the transfer (the effective date of the transfer is the date the Client must cease accepting payments and the date on which Silvergate/DMI will begin to accept such payments);
- A statement that the transfer of servicing does not affect any other term or condition of the Mortgage Loan documents, other than terms directly related to the servicing of the Mortgage Loan.

¹ Silvergate requires a copy of the Goodbye Letter be sent to the borrower as a post-purchase follow-up document.

- Appropriate language, as required by RESPA, describing the transfer and the borrower's rights.

Note: Clients must issue all borrower notifications no less than 15 days before the effective date of the transfer of servicing duties.

As stated above, the Goodbye Letter must contain the date the last payment is due to the Client, as well as the date the first payment is due to Silvergate. **To determine and confirm the date of the first payment due to Silvergate/DMI, refer to the Silvergate Purchase Advice issued as of the day of Mortgage Loan purchase.** To ensure compliance with RESPA, Silvergate requires that Clients issue Goodbye Letters as soon as possible upon receipt of Purchase Advice in order to notify the borrower that the Mortgage Loan has been purchased. The Goodbye Letter should not be provided to the borrower at closing or funding by the Client.

In conjunction with the purchase of Mortgage Loan, Silvergate will send the borrower a welcome letter as described above, and a temporary first payment coupon, with instructions as to when and where payments should be submitted.

11.2 MERS Registrations

In lieu of preparing and recording an assignment of Mortgage Loan in the name of Silvergate, Clients must register the Mortgage Loans on MERS prior to Mortgage Loan purchase, and then transfer the ownership after loan purchase to Silvergate Bank using MERS ORG ID #1001757.

Note: Mortgage Loans must be transferred to Silvergate Bank as Investor and Servicer via MERS no more than 72 hours after purchase and never before purchase.

All Mortgage Loans and deeds of trust must denote MERS as Original Mortgagee ("MOM originated") and recorded in the name of MERS or its designee. Clients are required to close Mortgage Loans using MERS as the nominee, including a Mortgage Loan Identification Number (MIN) (a unique identification number assigned by MERS) placed on the security instrument.

For questions or concerns regarding MERS-related issues, please contact your local MERS representative, or for Silvergate-specific questions, please contact:

Lancy Kim
Phone: 858-362-6300, ext. 1360
Email: lkim@silvergate.com

To assist with monitoring the status of MERS transfers, please inquire with Loan Servicing regarding obtaining a MERS Reconciliation Report. MERS transfer status should be routinely monitored.

12 Outstanding/Follow-Up Documentation

The timely receipt of post purchase final documentation is critical to minimizing expense. Silvergate requests that Clients manage outstanding documentation in a timely manner.

12.1 Aged Trailing Documentation

Silvergate will charge Client for actual costs and fees incurred to obtain any and all required documents that have been outstanding greater than 180 days. A late fee of \$60.00 plus any search fees or other additional fees may be assessed.

Silvergate's policy is strictly enforced and upon the occurrence of any one of the following events, the Client shall, upon notice from Silvergate, immediately repurchase all affected Mortgage Loans from Silvergate at the Repurchase Prices specified in said notice:

- The Client fails to provide all of the documentation required by Silvergate and/or fails to satisfy all other specific documents or Seller Guide document requirements within 120 days following the Silvergate purchase date.
- At Silvergate's sole discretion, the Client's obligation to repurchase any Mortgage Loan with missing documentation may be postponed pending the return of documents sent for recordation, provided any such recordation delay is caused solely by the applicable recorder's office.

The Client is responsible for the payment of all costs and expenses incurred in connection with the transfer and delivery of Mortgage Loans to Silvergate, including but not limited to assignment preparation and recording fees, fees for title policy endorsements and continuations, and Client's attorney's fees.

13 Customer Complaint Notification Procedure

It is the Correspondent's responsibility to promptly notify Silvergate of any borrower complaint that the Correspondent receives subsequent to the Bank purchasing the subject mortgage.

13.1 Bank Policy

It is the Bank's policy to respond to customer complaints, disputes, and issues swiftly and to take each complaint seriously. The Bank promotes a quick, decisive, and accurate response to all customer inquiries, questions, and concerns brought to our attention, in order to comply fully with UDAAAP, RESPA, TILA, FACTA, and other applicable government regulations.

13.2 Required Information

Please include the borrower name, property address and loan number along with a written statement describing the borrower's complaint in sufficient detail that the Bank can respond to the borrower in a competent manner to resolve the matter in question.

14 Appendix

14.1 Notice of Ownership Change to Silvergate and Servicing Transfer to Dovenmuehle

Date

Borrower Name

Co-Borrower Name

Address

City, State ZIP

Re: Old Loan Number:

Silvergate Bank's Loan Number:

Dovenmuehle Loan Number:

Property Address:

Welcome Letter

Dear Mortgagor(s):

Welcome to Silvergate Bank. Federal law requires that consumers are notified of the sale, transfer, or assignment of their mortgage loan to a new owner. Your mortgage loan on the above-referenced property was sold by (Seller) to Silvergate Bank; **Silvergate Bank now owns your loan**. The servicing of your mortgage loan, that is, the right to collect payments from you, has been transferred from Silvergate Bank to our sub-servicer Dovenmuehle Mortgage, Inc., effective **(Servicing Transfer Date from Seller)**. **Silvergate Bank will continue to own your loan and Dovenmuehle will only service it on our behalf. Payments should be remitted to Dovenmuehle Mortgage, Inc.**

The transfer of the servicing of the mortgage loan does not affect any term or condition of the mortgage instruments other than terms directly related to the servicing of your loan. Nor does the sale of your loan affect any term or condition of the mortgage instruments, other than the terms directly related to the owner of the loan. The transfer of ownership of your mortgage loan to Silvergate Bank has not been publicly recorded. In the unlikely event you find it necessary to contact Silvergate Bank, you may write to us at the business address listed in the upper right-hand corner of this letter or contact us at our toll free number 888-495-1354.

Except in limited circumstances, the law requires that your present servicer send you a notice of servicing transfer at least 15 days prior to the date of servicing transfer or at closing. Your new servicer must also send you a notice of servicing transfer no later than 15 days after the effective date of transfer.

Your present servicer is **(Seller)**. If you have any questions relating to the servicing transfer, please contact **(Seller)** at their toll free number () **(time zone) (hours of operation) (days of operation)**. After **(servicing transfer date)**, please contact Dovenmuehle Mortgage, Inc. at 800-669-4268 between 8:00a.m. and 5:00 p.m. CST, Monday through Friday. The date that your present servicer will stop accepting payments from you is **(Date of Servicing Transfer)**. The date that your new servicer will start

accepting payments from you is **(Date of Servicing Transfer)**. Send all payments on or after that date to Dovenmuehle Mortgage, Inc. The address for sending payments to your new servicer is:

Dovenmuehle Mortgage, Inc. or (DMI)
PO Box 0054
Palatine, IL 60055-0054

Sincerely,

Name

Title

Email Address

Notice of RESPA Regulations

You should also be aware of the following information, which is set out in more detail in Section 6 of the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2605):

During the 60-day period following the effective date of the loan servicing, a loan payment received by your old servicer before it's due may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

RESPA gives you certain consumer rights by requiring servicers to correct errors asserted by mortgage loan borrowers and to provide certain information requested. Servicers may respond to oral information requests and concerns in a manner that ensures borrowers are provided with accurate and timely information; however, borrowers must submit written information requests and written notices of error in order for the servicer to be required to comply with the formal requirements of RESPA.

If a servicer receives a written request from a borrower for information about the borrower's loan and the request identifies the borrower, the information to identify the account and states the information requested, the servicer must acknowledge receipt of the request within five days (not including Saturdays, Sundays, or legal public holidays) after receiving it. The servicer must provide the requested information with 30 days after the receipt unless the request is to the identity or contact information of the owner of the mortgage loan. A servicer can obtain an extension of up to 15 days to provide the documentation if the servicer sends a notice to the borrower before the end of the 30-day period.

If a servicer receives a notice from a borrower that there has been an error in the servicing of the borrower's loan, the servicer must acknowledge receipt of the notice within five days (not including Saturdays, Sundays, or legal public holidays) of its receipt. The servicer must either resolve the alleged error or notify the borrower that there was no error. If the error relates to failure to provide an accurate payoff amount, response must be provided within seven days of receipt of notice. For errors related to foreclosure, response must be provided the earlier of the date of foreclosure sale or within 30 days of receipt of notice. For all other errors asserted, the servicer must respond within 30 days of receipt of the notice unless it has obtained an extension by sending a notice before the end of the 30-day time period. If the servicer fixes the error and notifies the borrower within 5 days, then, the acknowledgement of receipt is not required.

RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that section. You should seek legal advice if you believe your rights have been violated.

14.2 Temporary Coupon

Borrower Name
Address
City, State ZIP

New DMI Loan Number:

Additional Principal	\$
Amount of Check	\$

Attn: Payment Processing

Dovenmuehle Mortgage, Inc. or (DMI)
PO Box 0054
Palatine, IL 60055-0054

Information is intended solely for mortgage bankers, mortgage brokers, financial institutions and correspondent lenders.
Not intended for distribution to consumers, as defined by Section 1026.2 of Regulation Z, which implements the Truth-In-Lending Act.
This information is subject to change at any time without notice. Please contact your SCL Account Manager for full details.

