FGMC Correspondent Announcement:
First Guaranty Mortgage Corporation®
Correspondent Lending Seller Guide Updates

The Seller Guide has been updated to include changes to the following:

- Change of Address – Final Docs
- Appraisal Requirements for VA loans
- Settlement Dates
- Delegated Correspondent Funding Fee
- Uniform Closing Dataset (UCD) Requirements for Fannie Mae
- HUD-1 Settlement Statement/Closing Disclosure
- Non-Delegated Clear to Close (CTC) Requirements
- USDA Tax Transcripts
- Final Documents
- Recovery
- Government Insuring Documents
- Government Insuring Delivery
- Final Title Policy Delivery
- Billing
- FHA Policy

The following Seller Guide updates are noted below including their section(s) of the Seller guide and their effective date. Each Correspondent should understand the changes and how they would affect their organization.

Please reach out to your Account Executive with any questions or concerns.

As always, thank you for your business and partnership.
Change of Address – Final Docs

Updated the address for all FGMC final documents to be delivered to.

Final Documents:

First Guaranty Mortgage Corporation
Post Closing Department
c/o First American CleanFile Solutions
Mail Code 1016K
4795 Regent Boulevard
Irving, TX 75063
877-532-6993*

*This phone number is for use on shipping labels only; all questions related to Final Documents should be directed to: FinalDocs@fgmc.com.

Updated Seller Guide Section

- 2.3.1.10 Important Addresses
- 7 Delivery Procedures, Step 9
- 7.13.1 Delivery
- 7.13.6 Final Title Policy Delivery
- Exhibit C Final Docs Transmittal

Effective Date
This change is effective February 1, 2018.

Appraisal Requirements for VA loans

The VA Form (26-1805) must have the Client/Broker listed as the Originating Lender and FGMC listed as the Sponsor for Non-Delegated Correspondent loans.

Updated Seller Guide Topics

- 5.3 Appraisal Requirements

Effective Date
This change is effective immediately.
Settlement Dates

Settlement dates for loans committed in pools are defined as the last date a loan(s) can be purchased by FGMC before the seller would incur extension fees. FGMC settlement dates will be determined by the seller’s request on their bid tape. If the seller requests a specific settlement date, FGMC will price the pool to the date requested. Settlement dates for seller that provides delivery days with the bid tape will be determined by adding 7 calendar days to the delivery days provided. For instance, if 7 delivery days are requested an additional 7 calendar days will be added for a total of 14 days from the bid tape to the settlement date. Seller’s that do not specify a delivery or settlement date with the bid tape will be priced using a 12 days settlement date.

When the initial lock expiration date falls on a weekend or holiday, the lock expiration date is automatically moved to the next business day.

Updated Seller Guide Topics
- 6.2.5 Settlement Dates

Effective Date
This change is effective immediately.

Delegated Correspondent Funding Fee

The Delegated Correspondent funding fee has been increased to $350.

| Delegated Correspondent | Closed Loan $350– After performing the underwriting, deliver the closed loan package for review |

Updated Seller Guide Topics
- 7 Delivery Procedures
- 7.16 Funding Fees

Effective Date
This change is effective December 2017.

Uniform Closing Dataset (UCD) Requirements for Fannie Mae

Fannie Mae UCD submission must reflect the DU Casefile ID associated with the loan.

Updated Seller Guide Topics
- 7.1.4 Uniform Closing Dataset (UCD) Requirements

Effective Date
This change is effective immediately.
HUD-1 Settlement Statement/Closing Disclosure

A completed and signed original/certified copy of the Closing Disclosure is required by FGMC, and must be included in the closing file for purchase.

Updated Seller Guide Topics

- 7.2.10 HUD-1 Settlement Statement/Closing Disclosure

Effective Date

This change is effective immediately.

Non-Delegated Clear to Close (CTC) Requirements

Non-Delegated loans cannot close prior to FGMC issuing the clear to close.

Updated Seller Guide Topics

- 7.2.11 Underwriting Conditions

Effective Date

This change is effective immediately.

USDA Tax Transcripts

USDA has suspended the requirement for TRVs for all adult household members until further notice. When tax returns are utilized for income calculation, validation of personal tax returns is required.

Updated Seller Guide Topics

- 7.2.12 Tax Requirements

Effective Date

This change is effective December 21, 2017.
Final Documents

Final Documents are the original recorded Security Instruments, Assignments and Final Title Policies that must be submitted to FGMC after closing and recording. It is important that all Final Documents are submitted to FGMC within a reasonable amount of time in case any issues with the lien or chain of assignment need to be remedied.

All Final Documents must be delivered to FGMC as they become available, and not to exceed sixty (60) days from the date of funding.

If any Final Document is incorrect and or not delivered to FGMC within ninety (90) days from funding, FGMC will consider the document “overdue” and will take steps to remedy the missing or incorrect document(s). FGMC maintains the right to assess a penalty and/or hold back a portion (ten percent) of current loan funding proceeds as a result of overdue/incorrect Final Document(s). This could include the cost of a replacement document or the manner to correct the defect, plus recording fees (when applicable). A repurchase will be required, at FGMC discretion, at any time when a defect and/or missing document is not corrected in the time frame mentioned above.

These documents include, but are not limited to, the following:

<table>
<thead>
<tr>
<th>Document Type</th>
<th>When Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Documents Transmittal Form</td>
<td>with Final Docs</td>
</tr>
<tr>
<td>Mortgage and all Riders</td>
<td>Certified copy prior to Purchase / Final Doc –</td>
</tr>
<tr>
<td>Original Assignment all intervening assignments for non-MOM</td>
<td>Original recorded to FGMC</td>
</tr>
<tr>
<td>Original Assumptions, Extensions, Written Assurance or Modifications or Substitutions</td>
<td>Certified copy prior to Purchase / Recorded original Final Doc to FGMC</td>
</tr>
<tr>
<td>Original Final Title Insurance Policy</td>
<td>Title prior to Purchase / Final policy with Final Docs to FGMC</td>
</tr>
<tr>
<td>Original Power of Attorney, if applicable</td>
<td>Certified copy prior to Purchase / Recorded original Final Doc to FGMC</td>
</tr>
<tr>
<td>Originals of all Intervening Assignments (allowed by Endorsement only)</td>
<td>Certified copy prior to Purchase / Original recorded / Final Doc to FGMC</td>
</tr>
<tr>
<td>Private Mortgage Insurance Policy</td>
<td>Final Doc to FGMC</td>
</tr>
</tbody>
</table>

Please refer to Section 7.13.4 for Government Insuring Documents requirements and Section 7.13.6 for Final Title Policy Delivery.

Updated Seller Guide Topics
• 7.13 Final Documents

Effective Date
This change is effective February 1st, 2018.
Recovery

Correspondents will be given sixty (60) days from the day that FGMC purchases the loan to send all Final Documents.

After sixty (60) days, the following will apply:

- A letter will be sent to the Correspondent stating that if the docs are not received within thirty (30) days, FGMC will require a third-party vendor to take over efforts to remedy the outstanding document(s). When this is necessary, FGMC may, at its sole discretion:
  - Pass the third-party vendor fee to the Seller;
  - Assess late penalty fees to the Seller; and or
  - Hold back up to ten percent (10%) of current loan funding proceeds.
- If after thirty (30) days the document(s) are not received, the loan may be subject to re-purchase.
- If after 30 days from when the re-purchase letter was sent, the Correspondent has not agreed to repurchase the loan, the Sellers account may be subject to suspension, locked loans may be subject to cancellation, and any scheduled funding may be cancelled.
- If at any time a Correspondent has a loan that reaches six (6) months, that account will be suspended.

Updated Seller Guide Topics

- 7.13.3 Recovery

Effective Date
This change is effective February 1st, 2018.

Government Insuring Documents

FGMC requires the Seller to obtain the FHA Mortgage Insurance Certificate (MIC), USDA/RHS Loan Note Guarantee (LNG) and/or VA Loan Guaranty Certificate (LGC) within the timeframes mandated by the applicable Agency. For files cleared for purchased within forty-five (45) days of closing, FGMC will verify that the loan has been Insured after purchase of the loan.

FGMC requires that the applicable Insuring Document is included in the loan file when submitted for purchase more than forty-five (45) days after closing. Additionally, FGMC may choose, in its sole discretion, to require satisfactory evidence of the Insuring Document prior to the purchase of additional government loans from the Seller.

If FGMC discovers that the FHA Mortgage Insurance Certificate (MIC) has not been obtained within sixty (60) days from the loan disbursement date, the loan will be subject to repurchase. If the MIC is subsequently obtained prior to the repurchase being completed, a Late Endorsement Fee of $1,000 will be assessed for each occurrence.

Updated Seller Guide Topics

- 7.13.4 Government Insuring Documents

Effective Date
This change is effective February 1st, 2018.
**Government Insuring Delivery**

When providing Government Mortgage Insuring documents on loans after the FGMC purchase date, Correspondents should follow this procedure:

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FGMC purchases the Government-Insured loan.</td>
</tr>
</tbody>
</table>
| 2    | Correspondent emails the acceptable documents in PDF format to FGMC at GovInsuring@fgmc.com. Acceptable Government Mortgage Insuring Documents are:  
- FHA Mortgage Insurance Certificate (MIC)  
- USDA/RHS Loan Note Guarantee (LNG)  
- VA Loan Guaranty Certificate (LGC) |
| 3    | Once the FGMC Insuring Department has processed the documents, the Correspondent will receive an acknowledgement of receipt. |
| 4    | In the event of any Government Insuring defect, the Correspondent is required to contact FGMC at GovInsuring@fgmc.com within seven (7) business days of notification. |

**Note:**
- Any joint loan for which the veteran will hold title to the property with any person other than the veteran’s spouse must be submitted for prior approval to the VA before the loan closing. Additionally, the VA will only guaranty the portion of the loan that is allocable to the veteran’s interest in the property. No portion of the guaranty will be applied to the portion of the loan allocated to the non-veteran, non-spouse. In this particular case, FGMC will only purchase loans with a minimum 25% guaranty, therefore a down payment may be required, if the transaction is a purchase, or the property must contain sufficient equity, if a refinance, to meet the 25% guaranty.

- USDA/RHS Loan Note Guaranty (LNG) information:

  Flagstar Bank, FSB (Servicing Lender)  
  Tax ID # 382734984  
  Agency assigned branch # 001  
  5151 Corporate Drive  
  Troy, MI 48098

  FGMC (Holding Lender)  
  Tax ID# 54-1429575  
  Agency assigned branch # 001  
  1900 Gallows Road, Suite 800  
  Tysons Corner, VA 22182

**Updated Seller Guide Topics**
- 7.13.5 Government Insuring Delivery

**Effective Date**
This change is effective February 1st, 2018.
Final Title Policy Delivery

FGMC will accept Original Final Title Policies with an electronic signature (eSigned) via email to FinalDocsTitle@fgmc.com.

If the Title Policy is:

- A photo copy of the original that contains a wet/live signature, or
- A photo copy of the original that contains an electronic signature,

Then it must contain a Certified True Copy stamp with a wet signature from an employee of the Correspondent or the Settlement Agent. This Title Policy must be delivered via FedEx, UPS or USPS; it will not be accepted via email.

Updated Seller Guide Topics

- 7.13.6 Final Title Policy Delivery

Effective Date

This change is effective February 1st, 2018.

Billing

All third-party charges will be billed to Correspondents on a quarterly basis in arrears for outstanding documents. In addition, a fee may be billed to the Correspondent for each Final Document that is not received within ninety (90) days of the FGMC loan purchase date.

Updated Seller Guide Topics

- 7.13.7 Billing

Effective Date

This change is effective February 1st, 2018.

FHA Policy

FHA Test Cases will require a copy of the Firm Commitment issued by HUD in the closed loan file submitted for purchase. Files that receive a NOR will be suspended until the NOR is cleared and a Firm Commitment is received.

Updated Seller Guide Topics

- 7.17.3 Loan Programs

Effective Date

This change is immediately.