



## **Non-Delegated Correspondent Seller Guide**

# NDCL Seller Guide

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## 1. Welcome

Founded in 2009, OnY Glo, Inc., dba LoanLock Prime (“OGI”, “OnY”, “LLP”, “Purchaser”) is an independent, full-service direct residential lender based in Orange County, California, the nation’s capital of the mortgage lending industry. Our business is founded on the core principle of providing clients with superior loan products with transparency and integrity. OnY Glo, Inc. is licensed by the National Mortgage Licensing System (NMLS ID 237507) and operates in 38 states. OnY Glo, Inc. continues to expand its footprint to canvas all 50 states.

OnY Glo, Inc., dba LoanLock Prime’s Non-Delegated Correspondent Lending Platform strives to provide simplified lending and world-class customer service to help you close loans quickly and efficiently. We offer a robust suite of products, competitively priced throughout the year, every year.

Our focus is to purchase quality loans, that have been prudently underwritten, from quality partners.

## 2. About this Seller Guide

The purpose of this Non-Delegated Correspondent Seller Guide (“Seller Guide”, “Guide”) is to provide important information about the legal business relationship between the Non-Delegated Correspondent Seller (“NDCL”, “Seller”) and OnY Glo, Inc. dba LoanLock Prime. The Guide outlines the standards the NDCL must abide by to sell Mortgage Loans to OGI. This Guide (amended from time to time in accordance with the terms hereof), together with any other transactional documents, sets forth the terms and conditions for the sale of Mortgage Loans by Seller to OGI.

All loans purchased by OGI are subject to programs, matrices, guidelines, policies, and regulations in effect at the time of loan purchase.

The most current version of this Seller Guide can be found via the Correspondent Resource Center.

## 3. Legal and Disclaimers

### Amendments to Seller Guide

The right to amend, update, or supplement the Seller Guide at any time and at its sole discretion is reserved by OnY Glo, Inc., dba LoanLock Prime. Any amendment, change, or supplement may be made available to Seller via the Resource Center. All amendments, changes, or supplements are effective as per the publication date and thereof immediately enforceable.

### Confidentiality

This Seller Guide is the property of OnY Glo, Inc. and is not to be distributed, copied, altered or similar action without the written approval of OnY Glo, Inc. All information contained herein is confidential and shared between OnY Glo, Inc. and the NDCL through an active business relationship.

### Conflicts in the NDCL Agreement

Should any conflict, ambiguity, or inconsistency arise in the terms and conditions of the Non-Delegated Mortgage Loan Purchase Agreement (“MLPA”), resolution will be communicated to the NDCL by Purchaser.

If there is any direct conflict between:

1. The MLPA and Seller Guide, the Seller Guide will control unless otherwise explicitly communicated by Purchaser.
2. The MLPA Addenda and the Seller Guide, the MLPA Addenda controls to the extent that the

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language explicitly sets forth the terms where it controls unless otherwise explicitly communicated by Purchaser.

3. The MLPA, Seller Guide, and Purchase Advice, the Purchase Advice will control unless otherwise explicitly communicated by Purchaser.

All capitalized terms in this Guide shall have the meaning ascribed to such terms in the MLPA if not otherwise defined in the Guide.

## Ethics and Standards

OnY Glo, Inc., dba LoanLock Prime is committed to responsible lending practices that help all community members obtain and maintain homes that meet their unique financial needs. To this end, it is imperative that the NDCL adhere to the highest standards of ethics in all its activities and the highest adherence to compliance with all applicable federal, state, and local laws and regulations.

Seller is required to adhere to the highest standards possible by:

1. Understanding the applicant's unique financial position and goals to ensure the best product fit and its terms and conditions are fully presented and explained to each applicant.
2. Adhering to the highest cybersecurity and privacy standards to protect all consumer information.
3. Providing tailored service to applicants and ensuring all applicants' needs, questions, and concerns are appropriately addressed.
4. Complying with all applicable federal, state, and local laws and regulations.

## Legal Advice

Information found herein does not constitute legal advice. The NDCL should seek legal advice from a licensed legal professional.

## Incorporation into MLPA

The parties expressly understand and agree that this Seller Guide (including any exhibit and addenda), Approval Letters, Announcements, and Purchase Advice are incorporated into the Mortgage Loan Purchase Agreement (MLPA) by reference and form a critical and inseparable part thereof.

By signing the MLPA, the NDCL agrees to abide by all terms and conditions of this Seller Guide, Approval Letters, Announcements, and Purchase Advice (collectively "NDCL Agreement").

All amendments to the MLPA are announced to the NDCL via the Resource Center.

## Privacy / Information Sharing

All public and non-public information (NPI) is safeguarded and managed by OnY Glo, Inc., dba LoanLock Prime as per the Privacy Policy.

OnY Glo, Inc., dba LoanLock Prime may collect and maintain information on the NDCL, its employees, independent contractors, third party vendors and alike in the process of providing the NDCL services as per the NDCL Agreement.

Information collected and maintained may be sourced through information/documentation provided by the NDCL, third party companies, references, and participants/providers of services in the mortgage and related industries.

OnY Glo, Inc., dba LoanLock Prime may share information with any of its affiliates (present and future) for

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any lawful purpose on the basis of better serving the NDCL. Unless the NDCL explicitly notifies OnY Glo, Inc., dba LoanLock Prime in writing, the NDCL provides consent for the sharing of information.

## Representations and Warranties

NDCL agrees to abide by all representations and warranties made in the MLPA and as indicated henceforth:

- Seller is duly organized, validly exists, maintains good standing under the laws and jurisdiction of its organization and will at all times maintain approvals, qualifications, registrations, licenses, permits and other designated approvals as needed to continue to conduct business in every state where the Seller originates, services or purchases Mortgage Loans or where a Mortgage Loan subject property is located in;
- Seller complies with the laws of any state it does business in or related to as needed to enforce Mortgage Loans and the related servicing;
- Seller affirms there are no litigation, suits, proceedings, reviews, audits, inquiries, investigations or such similar action (whether active or pending) against the Seller that may whether as a single instance or in aggregate materially affect the Seller's business, ability to meet obligations, operations, financial standing, properties, assets, guarantees, or any other material liability that would draw into question the validity or enforceability of the MLPA, any Mortgage Loan submitted or sold to Purchaser, any of Seller's actions or actions to be taken in connection therewith;
- With respect to any FHA or VA Mortgage Loan, Seller is approved by HUD or VA, as applicable, to conduct origination business with FHA and/or VA. Seller has complied with all the requirements of the applicable insuring or guaranteeing agency for FHA or VA loans;
- Seller is not subject to any administrative sanction (active, pending, or undisclosed to Purchaser) by any government agency;
- Seller is a member of MERS, maintains good standing and continues to comply with all rules, policies and procedures of MERS in connection with any Mortgage Loan registered with the MERS System;
- Seller has no accrued liabilities (active or pending) with respect to a Mortgage Loan or the associated Servicing Rights or in any scenario that may result in accrued liabilities against Purchaser as successor in interest and to the Mortgage Loans;
- Seller affirms that no document, statement, data, report, tape, diskette or other method of delivery contain any untrue statement of fact or omission of facts necessary to make the statements contained therein not misleading whether submitted or to be submitted to Purchaser in any format pursuant to the MLPA or in consideration of the MLPA.

## 4. Contacting Purchaser

### Business Hours

The OnY Glo, Inc. dba LoanLock Prime teams are available to assist from 8:00AM to 5:00PM PST on business days. Refer to Holiday Announcements for office hours and business day changes.

### Email Contact

Below are the email addresses the NDCL may use to reach out to the OnY Glo, Inc. team segregated by subject matter to ensure quick assistance.

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Email	Subject Matter
<a href="mailto:appraisals@llprime.com">appraisals@llprime.com</a>	Appraisal items delivery and appraisal related questions
<a href="mailto:caserequest@llprime.com">caserequest@llprime.com</a>	FHA Case Number order requests
<a href="mailto:clientapproval@llprime.com">clientapproval@llprime.com</a>	Lender approvals/recertifications
<a href="mailto:compliance@llprime.com">compliance@llprime.com</a>	Notices
<a href="mailto:correspondent@llprime.com">correspondent@llprime.com</a>	General concerns/questions/issues
<a href="mailto:lockdesk@llprime.com">lockdesk@llprime.com</a>	Pricing, locks, re-locks, extensions, fee questions
<a href="mailto:corrsupport@llprime.com">corrsupport@llprime.com</a>	Issues/requests related to submitting a file via TPOC and general issues/requests (always contact your AE first for assistance)
<a href="mailto:customers@llprime.com">customers@llprime.com</a>	Servicing related questions, payoff requests, MERS TOS/TOB notification
<a href="mailto:epodate@llprime.com">epodate@llprime.com</a>	EPD/EPO related questions
<a href="mailto:postclosing@llprime.com">postclosing@llprime.com</a>	Post Closing
<a href="mailto:risk@llprime.com">risk@llprime.com</a>	Repurchase/indemnification fees related questions
<a href="mailto:scenarios@llprime.com">scenarios@llprime.com</a>	Issues/requests related to loan scenarios
<a href="mailto:selfreport@llprime.com">selfreport@llprime.com</a>	Issues/requests related to in-house cybersecurity breaches self-report, material contract breach self-report, and approval criteria breach self-report
<a href="mailto:team-accounting@llprime.com">team-accounting@llprime.com</a>	ACH/payment questions, margin holdback inquiries
<a href="mailto:trailing@llprime.com">trailing@llprime.com</a>	Trailing docs

## Mailing Address and Telephone Contacts

All notices should be delivered to:

OnY Glo, Inc.  
Attn: Compliance - Corr  
6 Hutton Centre Dr., Suite 1030  
Santa Ana, CA 92707

The NDCL team can contact the OnY Glo, Inc., dba LoanLock Prime team via telephone by reaching out to their assigned Account Executive (AE), Account Manager (AM) or the appropriate department as per the Correspondent Quick Reference Guide.

Refer to your Correspondent Approval Letter for your Account Executive & Account Manager's information.

## 5. Accounts Payable

### Invoices

Fees payable to Purchaser are assessed and delivered to the NDCL within thirty (30) days of calculating the sum due by the NDCL to Purchaser. The amount payable will be delivered to the NDCL in the form of an invoice by the OnY Finance Department. All invoices must be paid in full within thirty (30) days of invoice delivery to the NDCL. Late invoice payment or lack of payment will be escalated for resolution at the direction of Purchaser including, but not limited to, termination, recertification rejection, and legal action. In no event shall an NDCL remit payment for an invoice on terms not approved in writing beforehand by Purchaser.

## 6. NDCL Relationship

### NDCL Application Package

The NDCL Application Package is required to be completed accurately and in its entirety. The NDCL Application Package is designed to determine a prospective NDCL applicant's potential eligibility.

OnY Glo, Inc., dba LoanLock Prime seeks to enter a business relationship with all NDCLs who adhere to the highest standards of responsible lending and ethics. It is vital that only qualified NDCL applicants be approved to do business with OnY Glo, Inc. to safeguard OnY's reputation, manage risk appropriately, and protect OnY's business relationships and consumers. To this end, in its due diligence review of a prospective NDCL the following aspects will be stringently analyzed:

1. Financial standing / collateral,
2. Credit worthiness,
3. Character fitness,
4. Knowledge and experience as an NDCL and in the mortgage industry,
5. Capacity,
6. Commensurate policies, procedures, and controls for the NDCL's business model.

An approved NDCL is required to actively maintain eligibility and adhere to all terms and conditions of the NDCL Agreement. Any breach of eligibility or ability to perform obligations must be promptly

communicated to Purchaser.

## NDCL Eligibility

To become an approved NDCL with OnY Glo, Inc., dba LoanLock Prime, the NDCL must submit a complete NDCL Application Package, provide requested documentation, respond to any due diligence questions and/or requests by OnY Glo, Inc., and meet eligibility requirements. All NDCL applicants who meet eligibility requirements will be approved to do NDCL business with OnY Glo, Inc. Once approved, the MLPA will be executed by OnY Glo, Inc. and Correspondent Approval Letter will be issued. Eligibility criteria and documents required to be completed and submitted to OnY Glo, Inc. are found in the Correspondent Lending Application located in the Resource Center. Any prospective NDCL may inquire about receiving access to the Resource Center and Correspondent Lending Application by contacting the OnY Sales Team and/or completing an inquiry form.

Below is a reiteration of the NDCL eligibility requirements:

1. Maintain an AML-BSA Program
2. Maintain a Cybersecurity Policy
3. Maintain an Employee CBC Policy
4. Maintain an Equal Credit Opportunity Act policy
5. Maintain a Fair Credit Reporting policy
6. Maintain a HMDA policy
7. Maintain a Hiring policy
8. Maintain a Quality Control Plan
9. Maintain a SAFE Act policy
10. Maintain a state specific requirements policy (for example, adherence to IL APLD requirements)
11. Maintain a TRID / TIL-RESPA policy
12. Maintain an Unfair, Deceptive and Abusive Policy

NDCL's will be recertified for eligibility by OnY Glo, Inc., dba LoanLock Prime annually.

## NDCL Notification Requirements

The NDCL is required to report to Purchaser any event that may impact the NDCL's eligibility or the occurrence of or potential of an Event of Default to the extent permitted by applicable laws and regulations. Furthermore, prior notification of upcoming events that may significantly impact the NDCL's ownership structure or financial capabilities must be reported to Purchaser to the extent permitted by applicable laws and regulations.

It is the responsibility of the NDCL to report any updates/changes in any of the following areas promptly to OGI:

1. Adverse findings in an examination or audit (federal or state)
2. Breaches in cybersecurity
3. Breach or potential breach of any part of NDCL Agreement
4. Changes in agency approvals
5. Changes in board of directors
6. Changes in corporate office address
7. Changes in DBA/FBN/Other Trade Name(s)
8. Changes in disclosure question responses
9. Changes in legal name
10. Changes in management or principal officers

11. Changes in ownership
12. Changes in warehouse line amounts or warehouse line covenant breaches
13. Consumer complaints pertaining to Mortgage Loans submitted or sold to OnY Glo, Inc.
14. New or material changes in lawsuits that may adversely affect financial standing
15. Changes in banker loan licensing on NMLS

Prompt notification to OnY Glo, Inc., dba LoanLock Prime is defined as communication of the changes within seven (7) business days of the change to OGI via written notice.

## **Net Worth Requirements**

The NDCL must meet and maintain a minimum net worth as determined by Purchaser at time of application, through approval and at recertification. Purchaser will review the financial statements provided by NDCL to determine if the minimum net worth is met. Any NDCL not meeting the minimum financial net worth, but that demonstrates overall fitness will be approved if a personal guarantee is executed. Any NDCL who fails to meet the minimum financial net worth and does not demonstrate overall fitness to be an NDCL for OGI, will be denied and unable to re-apply for a minimum term of six (6) months.

## **Ongoing Monitoring and Recertification**

To submit Mortgage Loans to OnY Glo, Inc. and for Mortgage Loans to be eligible for purchase, the NDCL must maintain an active approval with OnY Glo, Inc. throughout the transaction. The NDCL is subject to ongoing monitoring and an annual recertification (typically on or around the anniversary of the approval). Quarterly unaudited financials and annual audited financial statements are required.

NDCL must comply with all requests and requirements to retain approval.

## **Repurchases and Indemnifications**

The NDCL must comply with all MLPA requirements related to repurchases and indemnifications.

## **Review of Submitted Documentation**

During the application review and recertification, all submitted policies, procedures, reports, certificates, and other documentation (collectively “Documents”) are reviewed by OnY Glo, Inc. The review of Documents by OnY Glo, Inc. is to establish if the NDCL meets eligibility criteria and does not constitute any form of legal advice or opinion on the documentation.

It is the sole responsibility of the NDCL to maintain their policies and procedures up to date as per their legal obligations, compliance and risk management plans. The compliance and risk management plans must be commensurate with the Correspondents’ business model and risk appetite.

By actively continuing as an approved NDCL with OnY Glo, Inc., the NDCL represents and warrants to OnY Glo, Inc. that their policies, procedures, and any Mortgage Loans submitted to OnY Glo, Inc. meet all applicable legal and regulatory requirements at the time of submission and through purchase.

## **Self-Report of Fraud, Suspicious Activity, Red Flags and Material Defects**

The NDCL is required to immediately contact Purchaser when they become aware of any suspicious activity, fraud, red flags or material defects on a submitted or purchased Mortgage Loan. ‘Immediately’ is defined as within five (5) business days from the discovery date whether the discovery was made by the NDCL, an Agency, Auditor, Government Agency, Guarantor, Insurer, Regulator, Servicer or Other Third- Party.

All self-reports should be made by email to: [selfreport@llprime.com](mailto:selfreport@llprime.com).

Purchaser will comply with all applicable laws that require reporting for fraud and/or suspicious activity.

## Self-Report of Cybersecurity Incidents

The NDCL is required to immediately contact Purchaser when they become aware of any material cybersecurity incident and must remain compliance with the Interagency Guidance on Response Programs for Unauthorized Access to Customer Information Notice (section 501(b) of the Gramm-Leach-Bliley Act (GLBA)). 'Immediately' is defined as within five (5) business days from the discovery date whether the discovery was made by NDCL, an Agency, Auditor, Government Agency, Guarantor, Insurer, Regulator, Servicer or Other Third-Party.

All self-reports should be made by emailing [selfreport@llprime.com](mailto:selfreport@llprime.com).

Purchaser will comply with all applicable laws that require reporting cybersecurity breaches.

## Termination of NDCL

If an NDCL is terminated, the AE will be advised as to reasons that led to the termination.

An NDCL may be terminated for a variety of reasons such as, but not limited to:

1. Adverse findings through quality control reviews,
2. Breach of Representations and Warranties,
3. Civil penalties or open litigation that may result in civil penalties against the NDCL, its management, or ownership that may materially affect the NDCL's eligibility or ability to meet obligations,
4. Criminal convictions or pending criminal investigations or charges of the NDCL, its management, or ownership that may materially affect the NDCL's eligibility or ability to meet obligations,
5. Financial mismanagement,
6. Instances of fraud, dishonesty, or misrepresentation,
7. Insurer or other industry service provider material findings,
8. Net worth not met or maintained,
9. Pending litigation,
10. Regulatory or enforcement action against the NDCL or its management (whether current or prior),
11. Repurchases and indemnifications,
12. Suspensions, sanctions, debarments, withdrawal of authority, limited denial of participation, or placement on an exclusionary list by an agency or OnY business partner,
13. Unacceptable credit performance of Mortgage Loans submitted and/or sold to Purchaser, Furthermore, OnY Glo, Inc. may terminate an NDCL at any time at its sole discretion.

## Unable to Grant NDCL Approval

Where an NDCL is unable to meet the eligibility criteria to become an OnY NDCL, the NDCL will be denied and unable to re-apply for a minimum term of six (6) months. It is OGI's prime objective to only conduct business with applicants who meet the eligibility criteria curated to ensure the best interest of OGI, its business partners, and consumers.

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Sellers are approved solely at the discretion of OGI's management review.

## 7. Loan Purchase Eligibility

All Mortgage Loans submitted to Purchaser must meet all requirements as per the Program Guide. In addition to loan program and product specific requirements, all Mortgage Loans must be compliant with the following requirements.

### **Affiliates**

Affiliated service providers may not be used on a transaction unless explicitly approved in writing by OnY Glo, Inc. An affiliation is deemed to exist if the NDCL, its owners or officers, have any ownership interest or management control in a service provider. An NDCL may request approval to use an affiliate service provider by completing the affiliated businesses section of the NDCL Application and submitting it to [clientapproval@llprime.com](mailto:clientapproval@llprime.com). Request for approval of an affiliate service providers will be reviewed for potential conflicts of interest, RESPA, and other issues.

### **Applications**

Only complete Mortgage Loan applications will be accepted by Purchaser. A complete Mortgage Loan application constitutes a complete 1003 URLA that is properly executed by the appropriate parties and accompanied by a complete Demographic Information Addendum and Form 1103.

### **Appraisal/Appraisal Independence Requirements**

OGI's appraisal policy adheres to the requirements set out by Appraiser Independence Requirements (AIR) developed by Fannie Mae and Freddie Mac.

Failure to comply with Appraisal Independence Policy will result in disciplinary actions that can lead up to, and include, suspension or cancelation of the Seller's relationship with OGI. There is zero tolerance for any violation of these guidelines.

OGI prohibits any Seller, or employee of the Seller, from placing undue influence or pressure including coercion and/or bribery and other similar actions designed to cause an appraiser to base the appraised value of the property on factors other than the appraiser's independent judgment. Appraisers are prohibited from having a financial or other interest in the property or the credit transaction. The Appraisal Management Company (AMC) is responsible for verifying the appraisal process, financial interest and all other requirements of appraiser independence rules are met. Seller's employees are responsible for notifying OGI and AMC if they have knowledge of the appraiser having a financial or other interest in the property or transaction. If an appraiser is found to have an undisclosed financial interest in the transaction, the appraiser will be added to the OGI Exclusionary List.

OGI will not accept appraisals or approve appraisers who are on exclusionary lists such as the HUD LDP/GSA, FHFA Suspended Counterparty Program (SCP) list, or other investor lists.

Appraisers must have a valid license for the state where the property is located and current Errors and Omissions (E&O) insurance. Appraisals must be in Seller's name at time of submission to OGI.

The NDCL is listed as the lender on correspondent loans. The NDCL is responsible for delivery of the appraisal to the consumer within compliant timeframes and is responsible for providing proof of appraisal

delivery and receipt to OnY Glo, Inc.

## **Business Channels**

The NDCL may only submit Mortgage Loans to Purchaser where they are the lender and where the mortgage loan originator is their employee. No third-party originations (TPO) are approved (for example, correspondent and wholesale).

Wholesale or broker submissions to NDCL are prohibited from being submitted to Purchaser and are not eligible for purchase.

## **Change of Circumstance**

All fee increases and material changes on a Mortgage Loan are subject to federal and state laws and regulations including, but not limited to, applicable tolerances and redisclosure requirements. Where a change of circumstance (COC) is utilized, the reasons for the COC must be detailed, be a valid reason, and processed within three (3) business days of the change notification as required by federal and state laws and regulations. The NDCL is responsible for ensuring CFPB TRID compliance. Any required cures are the sole responsibility of the NDCL. The NDCL is responsible for the accuracy and timing compliance of all TRID disclosures regardless of whether the disclosures are processed by the NDCL or OGI.

## **Closing Documents / Funding**

The NDCL is responsible for closing / funding activities including, but not limited to,:

- Generating the Closing Documents in the NDCL's name,
- Providing the Lender's Instructions to the Closing Agent,
- Establishing impound/escrow accounts (if applicable),
- Closing Documents execution, and
- Funding the Mortgage Loan in the NDCL's name.

The NDCL is responsible for the accuracy, completeness and timing of the closing & funding regardless of whether the closing docs are processed by the NDCL or OGI. The NDCL is responsible for delivering the closing document package to the settlement agent after the NDCL has reviewed and approved the package.

## **Complete Application Package**

The NDCL must submit a complete application package to Purchaser for underwriting. Incomplete application packages will not be reviewed until all such needed documentation and information is received. The NDCL is to refer to the Minimum Submission Requirements for information on documentation that is required for a complete application package.

## **DBA/FBN's**

The NDCL is required to only use approved doing business as (DBA) or fictitious business names (FBN) on documents submitted to OnY Glo, Inc. An approved DBA/FBN is a DBA/FBN that is properly registered as per federal, state, and local requirements and that is approved for use on Mortgage Loans to OnY Glo, Inc.

Only DBA/FBN's that are properly registered with the state secretary of state (SOS) and/or as per local requirements where the DBA/FBN is used will be approved. All DBA/FBN's must also be disclosed and approved in NMLS. Where states require a specific license for a DBA/FBN, the state license must be approved and in good standing. Documentation from the SOS or county recorder's office and NMLS

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licensing must be provided by the NDCL or easily accessible to OnY Glo, Inc. to review the DBA/FBN use request.

The NDCL must promptly notify OnY Glo, Inc. in writing if any change in the use of a DBA/FBN occurs. For example, new DBA/FBN, changes in DBA/FBN, dissolution of DBA/FBN.

## Disclosures

All applicable federal, state, and local disclosures required by laws and regulations are the responsibility of the Lender. All disclosures must be sent and delivered to applicants with all information completed (no blank fields) and executed in full by applicants, MLO, and lender, as applicable.

## Disclosure of Fees Under Additional Services

If Seller and Purchaser enter into an agreement for Additional Services, Seller agrees to promptly provide requested fee information to Purchaser in the format that the Purchaser requests.

## Dual Compensation / Dual Role

No party to the transaction may serve a dual role. For example, the same individual may not serve as a loan originator and real estate broker on a single transaction unless otherwise approved in advance.

## Early Payment Default (EPD) / Early Pay Off (EPO)

NDCL must comply with the MLPA regarding all EPD and EPO requirements.

## Employee Terminations

It is the NDCL's responsibility to report any employee terminations for individuals that have access to the Purchaser's systems to purchaser within seven (7) business days of termination.

## Escrow/Impound Accounts

Impound and escrow accounts will be maintained, as a general rule, on all loans. Program guidelines may allow the waiver of escrows of taxes and insurance in specific instances. There may also be an additional fee for the waiving of escrow accounts. Refer to program guidelines and pricing policy for up-to-date program-specific impound and escrow guidance.

Sellers are responsible for all escrow payments due to insurance providers, county/city/school/etc. tax collectors, and mortgage insurance carriers (as applicable), until OGI's first payment date.

When a loan has escrows for taxes, hazard insurance, HO-6, or any other items, OGI will also require the escrow of flood insurance. If a property is determined to be in a flood zone, it is a mandatory requirement to escrow flood insurance.

Escrow cushion = 2 months for property taxes and insurances; 0 months for Mortgage Insurance

## Escrow Holdback Policy

Currently, OGI does not allow for escrow holdbacks.

## Escrow Waiver

OGI will allow escrow waivers, subject to product guidelines and possible pricing adjustments and/or specific program requirements. Conventional loans must be made for primary residences with an LTV less than or equal to 80% (90% for California) unless otherwise limited by state law. The pricing for loans with escrow waivers may include increases to rate and/or pricing depending on specific program guidelines. H06 and Flood insurance, if applicable, must also be escrowed per program guideline LTV limits.

## Exclusionary Lists

The NDCL is required to check every person and entity involved in the origination process of a transaction against the following exclusionary lists:

- 1 Freddie Mac Exclusionary List
- 2 Fannie Mae Appraiser Quality Monitoring
- 3 OnY Glo, Inc.'s Exclusionary List
- 4 Office of Foreign Assets Control's ("OFAC")'s Specially Designated Nationals ("SDN") list
- 5 the U.S. Department of Housing and Urban Development's ("HUD") Limited Denials of Participation ("LDP") list

## Fees

Only those fees which are permissible as per the subject property state are allowed on a Mortgage Loan. OGI does not purchase loans that are high-cost loans, loans subject to HOEPA, or loans that would be deemed predatory for the jurisdiction where the property is located. As such, OGI audits loan charges as part of the purchase process. Sellers will receive a notification if the fees are in excess of allowable amounts; however, any testing performed by OGI does not waive Seller's obligations regarding allowable or statutory fees regarding any loan.

FHA and VA loans have certain restrictions on the types and amounts of fees that can be collected on each transaction and may have additional restrictions on fees that may be assessed to a borrower.

Fees must follow the guidelines of each individual loan program.

For purposes of APR disclosure, certain fees are considered prepaid finance charges.

Below is additional information on OnY Glo, Inc.'s position on specific fees. The NDCL may email [compliance@lprime.com](mailto:compliance@lprime.com) for questions on fees not listed below.

## Advance Fees

OnY Glo, Inc. does not allow an NDCL to collect advance fees from any applicant without an advance fee agreement, if the subject property state of the Mortgage Loan allows for the collection of advance fees, provided an advance fee agreement is executed by the applicant.

An advance fee is any fee that is imposed on the applicant/borrower prior to the closing of the loan. Permissible advance fee examples include credit reports, appraisal fees, and application fees if an advance fee agreement exists detailing each fee, the sum of the sum, and refundability terms.

This section does not apply to business purpose loans.

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## Appraisal Fees

Appraisal fees must be collected in accordance with Advance Fees and disclosed on the LE/CD if the NDCL provides detailed appraisal invoices, and the appraisal fee was not imposed on the applicant/borrower before intent-to-proceed (ITP) was received, as required by federal and state laws and regulations.

## Credit Report Fees

Credit report fees must be collected in accordance with Advance Fees and disclosed on the LE/CD as applicable if the credit report fee sum is only for charges related to the actual credit report as required by federal and state laws and regulations.

Fees related to credit score simulations and/or rapid rescoring are not eligible to be charged to a borrower and must be at the cost of the NDCL.

To be reimbursed for credit report fees, a detailed invoice from the credit vendor must be submitted with the Mortgage Loan. Specific credit report invoices are required on all loans if being charged to the borrower.

## Processing Fees

All loan processors must be identified and comply with licensing requirements. A loan processor must hold a license to act as an independent loan processor. If the loan processor is employed by the NDCL and the NDCL is properly licensed, then no license is required for the loan processor. If the loan processor is employed by a third-party company, the NMLS and licensing information for the third-party company must be provided.

If the Processing Fee is charged for loan processing services by the NDCL and their employees, the fee must be disclosed in Section A. If the fee is a Third-Party Processing fee, the fee must be charged in Section B and an invoice from the Third-Party Processing company must be provided to OGI. Processing fees must be disclosed on the initial LE.

## Underwriting Fees

The NDCL may collect an underwriting fee. The underwriting fee must be payable to Seller on the TRID disclosures and cannot be payable to OGI.

## Investor (OnY Glo, Inc.) Fees

All OGI investor fees will be net funded and itemized on the purchase advice at loan purchase. All OGI fees are charges to the NDCL and are not to be charged to the borrower with the payee as 'OnY Glo, Inc.'. OGI is the investor in the relationship and not the lender. No investor fees are payable on the TRID disclosures to OGI.

## FHA Mortgage Loan Programs

The NDCL may submit FHA Mortgage Loans to OnY Glo, Inc. only after receiving written explicit approval for FHA file submissions.

## NDCL FHA Approval

To be approved to submit and sell FHA Mortgage Loans to OnY Glo, Inc., NDCL must have an Unconditional Direct Endorsement (DE) and provide an independent auditor's report on internal

# NDCL Seller Guide

controls over FHA programs, HUD approval letters, and HUD reports. The HUD reports must include the HUD net worth statement. The NDCL must maintain compliance with all of HUD's requirements.

## NDCL FHA Reps and Warrants

By submitting FHA Mortgage Loans to OnY Glo, Inc., NDCL represents and warrants that the NDCL is in compliance with all applicable HUD rules and regulations.

## NDCL FHA Responsibilities

The following are some, but not all, NDCL responsibilities as they relate to FHA files.

1. Order the FHA Case Number through FHA Connection; once done, transfer the case to OnY Glo, Inc. (FHA ID 3091600008). The case number must be ordered prior to the effective date of the appraisal.
2. The NDCL must be listed as the Mortgagee with OnY Glo, Inc as the Sponsor on the 92900A
3. Appraisal orders must follow FHA standards for appraisal selection.
4. If the subject property type is a condominium: Condominium approval is required on the case assignment. Condo Project ID must be noted on the Case Number Assignment Form.
5. Provide CAIVRS on the case assignment.
6. Submit the subject property appraisal to the FHA Electronic Appraisal Delivery (EAD) system,
7. Deliver the EAD results to Purchaser,
8. Refinance Authorization for FHA-to-FHA transactions (if applicable),
9. Include the FHA Casefile when submitting the loan to Total Scorecard. AUS is not required for streamline loans. Release findings to OnY Glo, Inc.
10. Establish an FHA-compliant escrow account,
11. Collect the Upfront Mortgage Insurance Premium (UFMIP),
12. Submit the UFMIP in a lump sum to FHA no later than ten (10) calendar days after loan disbursement,
13. Collect any monthly MIP included in the Mortgage Loan payment until the time of servicing transfer to Purchaser,
14. Perform other FHA insuring requirements, as needed. The FHA Insurance Endorsement will be obtained by OnY Glo, Inc. with the Mortgage Insurance Certificate (MIC) in OnY Glo, Inc.'s name.

## Prohibited Conditional DE

OnY Glo, Inc., dba LoanLock Prime will not purchase Mortgage Loans with a conditional direct endorsement.

## Fannie Mae (FNMA) Products

To submit Fannie Mac (FNMA) Mortgage Loans, the NDCL must be approved by FNMA and maintain a status of good standing from the date of loan application to closing date. Additionally, the NDCL must have access to the FNMA automated underwriting systems (AUS/DO/DU), the Uniform Closing Dataset (UCD), the Uniform Collateral Data Portal (UDCP), and remain compliant with all FNMA requirements.

By submitting FNMA Mortgage Loans to OnY Glo, Inc., NDCL represents and warrants that the NDCL complies with all applicable FNMA rules and regulations.

## Float to Lock, Re-locks, Lock Extensions

Mortgage Loans with a floating rate may be submitted to OnY Glo, Inc. for underwriting and receive a

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conditional approval before lock. However, no Mortgage Loan is eligible for clear-to-close (CTC) or purchase without a rate lock.

Re-locks and extensions may be requested as per the OGI Correspondent Lock Policy.

Pricing reflected on OGI's Best Effort Rate Sheet is indicative of specific market conditions and is subject to changes throughout the business day without prior notice. Rate sheets include loan level price adjustments (LLPAs) as applicable to specific loan features. Product eligibility is not determined by LLPAs. Refer to product matrices and underwriting guidelines for eligibility.

## Flood Determination

OGI completes the flood determination at loan submission, even if the NDCL supplies a flood certificate. If it is determined that the property is located in a flood zone, the NDCL is responsible for compliant delivery of the flood notice to the borrower(s). OGI requires proof that the borrower(s) received The Notice of Special Flood Hazards at least ten (10) calendar days prior to the note date.

## Freddie Mac (FHLMC) Products

To submit Freddie Mac (FHLMC) Mortgage Loans, the NDCL must be approved by FHLMC and maintain a status of good standing from the date of loan application to closing date. Additionally, the NDCL must have access to the FHLMC automated underwriting systems (AUS), the Uniform Closing Dataset (UCD), the Uniform Collateral Data Portal (UDCP), and remain compliant with all FHLMC requirements.

By submitting FHLMC Mortgage Loans to OnY Glo, Inc., NDCL represents and warrants that the NDCL complies with all applicable FHLMC rules and regulations.

## High-Cost Loans/Predatory Lending Policy

Selected states and the federal government have passed laws prohibiting predatory lending, which may be referenced by any of these terms: "high-cost," "high rate," "high point," "sub-prime," "non-prime," etc. Loans that fall into this category are not Eligible Loans for sale to OGI's Correspondent Lending Program.

It is each Seller's responsibility to understand federal and state-specific laws and lending requirements and to follow the requirements for specific disclosures and documentation, including but not limited to, the net tangible benefit requirement. Some states may require documentation of the net tangible benefit to the borrower or other disclosures related to refinance transactions to prove they are not high-cost loans. Refer to state restrictions for additional specific requirements.

## Jumbo Mortgage Loans

To submit jumbo Mortgage Loans, the NDCL must be approved for the sale of Mortgage Loans with jumbo balances by Purchaser. Authorization for submission and purchase of jumbo Mortgage Loans is evidenced on the issued Approval Letter.

## Lender Licenses

The NDCL is required to hold all applicable licenses to act as an NDCL for the approved loan programs and products. Furthermore, the NDCL is required to maintain an active and in good standing status with their home state secretary of state. Applicable licenses and approved SOS standing are required to be held from the date of application to the date the Mortgage Loan is purchased.

## Loan Cancellations

OnY Glo, Inc. does not impose any cancellation fee for Mortgage Loans that are cancelled.

## Loan Programs

The NDCL may only submit loans to Purchaser for which the loan programs that the NDCL has been approved. The NDCL may reference their most recent approval or recertification letter to confirm the loan programs that are authorized. If the NDCL wishes to become approved for ancillary loan programs, NDCL may email [clientapproval@llprime.com](mailto:clientapproval@llprime.com) or contact their AE / AM for further information.

## Minimum Submission Requirements

The NDCL is required to refer to the Submission Checklists when submitting Mortgage Loans to Purchaser. The Submission Checklist provides details on required information and documentation to review a Mortgage Loan properly and efficiently.

## Mortgage Electronic Registration Systems (MERS®)

Loans must be closed using MOM documents, and Sellers are responsible for registering the MIN/loan in MERS within seven (7) days of closing or prior to delivery of the closed loan file to OGI.

Information is provided in this Correspondent Sellers Guide regarding MERS requirements and transactions as a convenience to Seller. Additional details about registering loans and the available connections to MERS are outlined in the MERS Procedures/FAQ at this address:

<https://www.mersinc.org/join-mers/faq>

Sellers may contact MERS by mail, phone, or fax as follows:

MERS  
1818 Library Street, Suite 300  
Reston, VA 20190  
Phone: (800) 646-6377  
Fax: (703) 748-0183

## Transferring a Mortgage Using MERS

The Sellers must use MERS when selling loans to OGI. A seller supplied "MIN" is required as a part of the closing process but the Sellers will also be responsible for registering the loan with MERS and transferring the beneficiary and/or servicing rights to OGI.

## Registering a Loan with MERS

Loans delivered to OGI must be registered by the Sellers with MERS at time of delivery. The names of the borrower(s) on the note must be accurate in MERS, as well as all other registration data. Proof of accurate MERS registration must be delivered to OGI as part of the purchase review. A MERS transfer of beneficial rights (TOB) and transfer of servicing rights (TOS) must be initiated by the Seller to OGI (ORG ID#1009989), within two (2) business days of purchase by OGI.

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## Transfer of Servicing and Beneficial Rights 1, 2

Seller must be named as the servicer and investor at the time of registration. Once Seller receives the purchase advice from OGI, Seller must initiate the MERS TOB and TOS to OGI. Seller must email OGI Interim Servicing at [customers@llprime.com](mailto:customers@llprime.com) once MERS transfer has been initiated so that OGI can accept the batch.

## Mortgage Insurance (PMI)

Any Mortgage Insurance Certifications will be obtained by OnY Glo, Inc. The NDCL cannot direct OGI to use a specific mortgage company. The MI company will be selected based on the parameters of the loan for the lowest MI premium.

## Mortgage Loan Originators

All mortgage loan originators (MLOs) are required to be under the direct supervision and oversight of the NDCL. By submitting a Mortgage Loan to Purchaser, the NDCL represents and warrants that the NDCL executes oversight over the MLO and is fully responsible for all actions or lack of by the MLO. All MLO's are required to be compliant with all state licensing requirements and the SAFE Act as applicable. If licensing is required, Purchaser requires that the MLO be actively licensed and in good standing from the date of application of the Mortgage Loan to the closing date of the loan.

All documents submitted to OnY Glo, Inc. where the MLO's name is indicated must show the MLO's legal name or a properly registered other name in NMLS for the MLO.

## Origination Offices

Mortgage Loans may only be submitted to OnY Glo, Inc. by the approved NDCL corporate office and approved branches.

Net branches are prohibited and will not be approved by OnY Glo, Inc. Only branches that are under the direct supervision and oversight of the NDCL as evidenced by an agreement will be approved. Every branch must have a designated branch manager that demonstrates character fitness, knowledge, and experience to act as branch manager. The branch manager must have an exclusive branch manager agreement with the NDCL. Every branch must be HUD compliant and properly licensed as applicable. All branches that meet the Branch Approval criteria will be approved.

If NDCL would like to obtain approval for a branch to submit Mortgage Loans to OnY Glo, Inc., NDCL may email [clientapproval@llprime.com](mailto:clientapproval@llprime.com) or contact their AE/AM.

If an NDCL's branch is closed, it is the NDCL's responsibility to report the closure to OnY Glo, Inc. in order to terminate the branch from OnY Glo, Inc.'s records.

If an NDCL's office address changes, it is the NDCL's responsibility to report the change to OnY Glo, Inc. in order for OnY Glo, Inc. to update all portals. The NDCL will also need to fill out an updated change request for OGI's doc vendor.

## Post-Close

The NDCL is responsible for all activities related to post-closing of a Mortgage Loan, including but not limited to:

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- Reconciliation of fees collected to invoices and remittance of any refunds due to borrowers,
- Issuance of the Post-Close Closing Disclosure to borrowers,
- Submitting copies of refunds to Purchaser, and
- Ensuring the Complete Loan File is received by Purchaser.
- If the loan is audited by another investor, third party due diligence, servicing, governing agency, etc., the NDCL will act promptly to help ensure clearance of all issues or deficiencies.

## Prepaid Interest Policy

OGI will purchase loans with interest credit not to exceed ten (10) calendar days into the month (Seven (7) for FHA, when applicable). Sellers are responsible for collecting any payments due that may be required prior to OGI purchasing the loan.

## Prepayment Penalty Options

OGI does not offer products with prepayment penalty terms, unless otherwise notated in loan program guidelines.

## Prohibited Practices

NDLC must always comply with all applicable federal, state and local laws and regulations related to prohibited practices.

## Property Insurance and Flood Insurance

OGI requires property insurance in an amount established by OGI's Underwriter to ensure OGI's interest in a property is adequately protected. This usually equates to the rebuild cost from the appraisal, or an insurance company provided replacement cost estimator, showing that they believe there is adequate coverage to ensure rebuilding costs. This can also be confirmed with a 100% guaranteed replacement cost insurance policy. The insurance coverage will include at a minimum Hazard Insurance, Flood Insurance for properties in a designated flood zone, and Wind Insurance if the hazard policy does not cover wind damage.

***\*\*Please note that FLORIDA insurance agents/companies, can no longer supply Replacement Cost Estimators\*\****

For attached condominium and PUD projects, the file must contain a copy of the project master policy ("blanket" policy) and a "walls-in" hazard insurance coverage policy (commonly known as HO-6 policy) unless Seller can document that the master insurance policy of the HOA covers the interior of the unit. The HO-6 policy must provide coverage as determined by insurer with a 5% maximum deductible. Additionally, the "walls-in" policy must be escrowed on any loan where impounds are required. We do allow partial waiver of impounds.

All insurance policies must have effective dates no later than the closing date on the final closing disclosure.

Refinance loans must have a minimum of four (4) months remaining coverage on all policies at the time the Seller funds the loan.

For single-family and multiple-unit properties, the maximum deductible may be up to 5% of the amount of the policy, unless a higher maximum amount is required by state law. If individual deductibles apply to

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losses from named perils (such as fire, water not caused by flooding, or wind), then each deductible may not exceed 5% of the dwelling coverage. The deductible must apply to either fire or extended coverage, or both.

Flood insurance is required if all or part of the property improvements are located in a Special Flood Hazard Area (SFHA). Flood insurance is required even if the mortgaged premises (such as a condominium unit on the fourth floor) are above the 100-year flood boundary. Flood insurance premiums are required to be escrowed under federal law.

The minimum amount of flood insurance required is the lesser of:

- 100% of the replacement cost of the insurable value of the improvements,
- the maximum insurance available from the NFIP; or
- the UPB of the mortgage loan (or, if a second lien mortgage loan, the combined UPB of the first lien and second lien mortgage loans).

If a property securing a mortgage loan is located within the Coastal Barrier Resource System or is within an Otherwise Protected Area, flood insurance is required. If the property is not eligible for federal flood insurance, private flood insurance is acceptable.

## Qualified Mortgage (QM) and Ability to Repay (ATR) Provisions

Eligible loans for purchase must be QM/ATR compliant, unless otherwise waived by OGI in writing or specific program parameters.

## Subject Property States

A Mortgage Loan is eligible for purchase if the following requirements are satisfied:

1. Subject property state of Mortgage Loan is a state in which the Purchaser is actively purchasing loans (check [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org) for confirmation),
2. Subject property is not in a geographic restriction area,
3. Subject property state of the transaction is a state that the Correspondent is approved for, and
4. Correspondent is compliant with licensing requirements, as applicable, per loan program and state.

Information on eligible states, geographic restriction areas, and licensing requirements are found in the Products section of [LoanLockPrime.com](http://LoanLockPrime.com) which provides detailed information per loan program and product. Any updates to eligible states are made available via the Product guidelines and NMLS.

Correspondents may request to be approved for additional states by contacting [clientapproval@llprime.com](mailto:clientapproval@llprime.com) and cc'ing their AE and AM.

## Subject Property Type

A Mortgage Loan is eligible for purchase if it is secured by eligible property. The Program Guides detail what property is eligible for purchase per program and product. Any change to eligible property is found in the applicable Program Guide.

## Title Insurance

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The title policy must name the Seller, ISAOA, as the insured. Title must be vested in the mortgagors' names, or in the name of an eligible Inter Vivos Trust or LLC, if allowed under program guidelines.

The title policy and/or title work must include a minimum 24-month history of property ownership from the effective date of the policy or preliminary report. The Sellers may contact the OGI Underwriter for specific questions or issues regarding title review.

The title insurance policy must ensure that the title is generally acceptable and that the mortgage constitutes a lien of the required priority on a fee simple or leasehold estate in the property.

The title policy also must list all other liens and state that they are subordinate to NDCL's mortgage lien.

The effective date of the title insurance coverage written on forms that do not provide the gap coverage included in the 2006 ALTA policies may be no earlier than the later of the date of the final disbursement of loan proceeds or the date the mortgage was recorded.

Because the 2006 ALTA forms provide protection for the time between loan closing and recordation of the mortgage, policies written on those forms may be effective as of loan closing.

Effective range of coverage must extend at least 90 days from effective date.

## **Underwriting**

All Mortgage Loans are underwritten as per the loan program and product guidelines.

## **USDA Mortgage Loan Programs**

OnY Glo, Inc. is not currently offering USDA.

## **VA Mortgage Loan Programs**

The NDCL may submit VA Mortgage Loans to OnY Glo, Inc., dba LoanLock Prime only after receiving written explicit approval for VA files.

## **NDCL VA Approval**

To be approved to submit and sell VA Mortgage Loans to OnY Glo, Inc., dba LoanLock Prime, the NDCL must meet the following requirements:

- Be approved by the Veterans Administration (VA) and always maintain an active VA ID number,
- Be a Supervised Lender or Non-Supervised Automatic Authority Lender,
- Be in good standing with the VA.

## **NDCL VA Reps and Warrants**

By submitting VA Mortgage Loans to OnY Glo, Inc., NDCL represents and warrants that the NDCL complies with all applicable VA rules and regulations.

## **NDCL VA Responsibilities**

The following are some, but not all, NDCL responsibilities as they relate to VA files.

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1. Order the VA Case Number (12-digit VA Loan Identification Number (LIN))
2. Initiate CAIVRS,
3. Obtain the Certificate of Eligibility,
4. Run AUS and release findings to OnY Glo, Inc.
5. Order the Appraisal through WebGLY using OnY Glo, Inc.'s VA Lender Sponsor Identification Number: 1600420000, (choose LAPP Appraisal Type. You will need an OnY Glo, Inc. loan number before ordering the appraisal in WebGLY as it must be entered in Field 1D (Section 1, Requester Information). In Field 1C, you must enter [appraisals@lprime.com](mailto:appraisals@lprime.com) so that once the appraisal is complete, it will be delivered directly to OnY Glo, Inc. for review. You may enter more than one email in this field (separate all email addresses by semicolon (;), if you would like to receive email notifications regarding the appraisal.  
\*\*\*IRRRLs\*\*\*If an appraisal/value determination is required for an IRRRL transaction, order through your AMC, as it must NOT be ordered through WebGLY.
6. If the subject property is a condominium: Condos must be VA approved. VA does not recognize FHA approved condos. If the condo is not approved, contact the VA for approval options as this does take time.
7. Establish a VA-Compliant escrow account,
8. Collect the VA Funding Fee (if applicable),
9. Submit the VA Funding Fee to the VA within 15 calendar days of loan closing. Even if the Veteran is exempt, we need a Zero (\$0) payment confirmation from the VA site.
10. Reconciliation of any VA Funding Fee errors such as overcharges, shortages, interest, or penalties.
11. Complete *VA Form 26-1820, Report and Certification of Loan Disbursement* in accordance with the *VA Lender's Handbook Chapter 1.7.d*, and *How to Complete VA Form 26-1820*,
  - a. NOTE: The Agent VA ID is inputted in field 2B. Agent's name and function is inputted in field 24J. Agent's name + the words "agent for OnY Glo, Inc." and the agent's address are inputted in field 25a. Fields 25 and 26 must be completed by NDCL.
12. Perform other VA insuring requirements.
13. VA Loan Guaranty Certification (LGC) will be obtained by OnY Glo, Inc. with the LGC in OnY Glo, Inc.'s name.

## Verifications

The NDCL is responsible for conducting all pertinent verifications on a Mortgage Loan submitted to Purchaser and provide any additional requested information in relation to verifications to Purchaser.

## 8. Pre-Purchase Process

### Executed Closing Package Delivery & Review

All loans must be closed, funded, disbursed and uploaded to OnY Glo, Inc. prior to the lock expiration date. All loans closing in a Trust or with a Power of Attorney must be approved by OnY Glo, Inc. at underwriting and added prior to CTC. Documents cannot be signed prior to the closing date listed on the documents and all signing requirements must follow state requirements. OGI requires loans to purchase within 10 calendar days of the completed review by loan purchaser. OGI requires all conditions to be met by Seller and ready for purchase before or on lock expiration date by 1:00 PM PST.

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## Documentation Deficiencies

Once the closed loan package has been reviewed and it is determined that the loan file contains missing and/or incorrect documentation, the loan file will be conditioned. The Purchaser will coordinate with the Seller to ensure timely clearance of conditions for purchase. If the lock expiration date is approaching or passed, Purchaser will communicate with the Seller that the rate will need to be extended but it is ultimately the seller's responsibility to manage all lock expirations and events. Sellers are subject to the cost associated with rate lock extensions, as described in the Correspondent Lock Policy.

It is the NDCL's responsibility to manage their funding suspense pipeline to ensure that all outstanding loan issues are resolved, and the loan purchased/funded timely.

## Collateral Delivery

A complete Collateral Package is required on all loans. Collateral Package documents must be organized and delivered to OGI's Document Custodian:

OnY Glo, Inc.  
Attention: Collateral Department  
6 Hutton Centre Dr, Suite 1030  
Santa Ana, CA 92707

The Collateral Package must have a label on the tab with the following:

- Mortgagor's Last Name, First Name and Investor & Seller Loan Number(s)

Every Collateral Package must include, in the following order:

- Bailee Letter which should reference Seller Loan Number, MIN, Borrower Name and Loan Amount. It should also reference:
  - Receiving Bank
  - Receiving Bank Address
  - ABA Number
  - Account Number
  - Account Name
  - Attention
- Original Note (and applicable addenda), reflecting all applicable endorsements, including Original Allonge final endorsement from Seller to "blank" (or 'Pay to the order of OnY Glo, Inc. without recourse').
- Certified Copies of the Note, Security Instrument and all Riders, and POA (POA & Trust Cert if applicable)

All outstanding collateral conditions must be satisfied before the Loan Purchase Advice is generated for loan purchase/funding. Once the OGI Purchaser validates the Collateral Package and the warehouse bank has certified the Original Note, the OGI Purchaser will release the Purchase Advice and fund the loan.

## 9. Loan Purchase

## Wire Detail

OGI will issue a Purchase Advice to Seller for each loan that is purchased detailing all financial calculations used to determine the final purchase price of the loan.

## Net Escrow Funds from Purchase Wire

With the exception of any escrow payments that are the Seller's responsibility, the following items will be netted from the Seller's purchase proceeds for a loan with an escrow:

- Escrows deposited with Seller
- Escrow amounts included in any payments due Seller
- OGI fees, as applicable

Seller is also responsible for payment from the escrow account of any insurance or tax payments that were due or will be due by or before OGI's first payment date. If escrows have been waived and a bill for taxes or insurance is due, Seller is responsible for obtaining proof of payment from the borrower.

## First Payment Issues

Seller is responsible for collecting borrower's mortgage payments up to OGI Mortgage Servicer's first payment due date. If a payment for a loan is due during the same month in which OGI purchases the loan, OGI will require Seller to collect that payment and the loan purchase balance will reflect the reduced principal balance.

## Loan History

A payment history will be required on all loans prior to purchase, when payment could have conceivably been made to the seller. The payment history must show the loan is current at the time of purchase.

## PMI for Conventional Loans

Seller must pay any escrowed PMI, financed or Seller paid lump sum mortgage insurance premiums prior to delivery of the closed loan package to OGI.

Evidence of payment in the form of a copy of the check payable to the mortgage insurance company is required.

## 10. Post Purchase Seller Responsibilities

### Seller Document Responsibilities

Sellers are responsible for the submission of final recorded documents and title policies with all endorsements after the loan has been purchased. OGI requires the submission of these documents in a timely manner and will notify Seller when documents have not been received within 120 days of the date of closing/funding.

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OGI reserves the right to assess fees for documents not received within 120 days of the date of purchase per the Agreement. Such fees may be deducted and held in reserve from proceeds of other loan purchases until the documents have been received.

## Government Loans

All government loans sold to OGI must be insured prior to the first payment due date. This insurance requirement applies to FHA, VA and Rural Housing transactions and insurance will be verified as follows:

- FHA loans will be verified via FHA Connection
- VA loans require the delivery of the Loan Guaranty Certificate
- Rural House loans require delivery of the Loan Note Guaranty (at this time, USDA is not applicable to the Correspondent channel)

Documentation submission for VA and Rural Housing must occur prior to the first payment due date. If Seller fails to obtain the required insurance prior to the first payment due date, Seller shall, at the discretion of OGI, repurchase the affected loan. Seller is to assist OGI in government loan insurance issuance when necessary, by providing any corrected or missing documentation needed to insure the government loan.

## Post Purchase Documentation/Trailing Documentation

Sellers are responsible for delivery of the following documents on all loans purchased by OnY Glo, Inc.:

- Original, recorded Security Instrument and all riders and exhibits (i.e. legal description)
- Any intervening Assignments of Mortgage required ensuring the interests of OGI
- Mortgage Insurance Certification (FHA)/Loan Guaranty Certificate (VA)/Loan Note Guaranty (USDA)
- Final Title Policy and all required endorsements

\*Note: Re-recording fees for inaccurate security instruments or for additional assignments and any costs for additional endorsements are the full responsibility of the Seller.

Final Document Delivery Address:

OnY Glo, Inc.  
Attn: Trailing Docs  
6 Hutton Centre Drive, Suite 1030  
Santa Ana, CA 92707  
[trailing@llprime.com](mailto:trailing@llprime.com)

Trailing Document Penalty Fees are outlined on the Correspondent Quick Reference Guide in the Correspondent Resource Center.

## Seller Transfer Responsibilities

Sellers are responsible for the following:

- MERS Transfer of Servicing and Transfer of Beneficial right (TOS/TOB)
- Mailing “Goodbye Letter”/Transfer of Servicing Rights to borrower(s)
- Notification to insurance providers of transfer to OnY Glo, Inc., including, but not limited to, and as applicable the following:

- Hazard, including fire, wind, condominium master and HO-6
- Flood Insurance
- Mortgage Insurance (PMI) – Conventional Loans
- MIC/LGC/LNG – Government Loans
- Notice of Record/Lender Change on FHA/USDA

## 11. Adverse Action Notices / Regulation B

OnY Glo, Inc. will send adverse action notifications to the NDCL for delivery to the borrower(s) on Mortgage Loans, as applicable. It is the responsibility of the NDCL to comply with all adverse action requirements. In no event will the sending of the adverse action to the NDCL by OnY alleviate the NDCL's responsibility to comply with any adverse action notification requirements. The adverse action credit decision is made by OnY Glo, Inc.

## 12. Applicable Laws / Regulations

The NDCL is responsible for being compliant with any and all applicable laws and regulations including, but not limited to, providing federal, state, and local disclosures/notices to applicants/borrowers, Ability-to-Repay (ATR), Anti-Money Laundering (AML), Appraiser Independence Requirements (AIR), Electronic Funds Transfer Act (EFTA), Equal Credit Opportunity Act (ECOA), Fair Credit Reporting Act (FCRA), Fair Housing Act, False Claims Act, Home Mortgage Disclosure Act / Regulation C (HMDA), Higher-Priced Covered Transaction (HPCT), Higher Priced Mortgage Loan (HPML), Home Ownership and Equity Protection Act (HOEPA), Insurance Anti-Coercion, Mortgage Servicing Rules, Qualified Mortgage Rule (QM), Real Estate Settlement Procedures Act (RESPA), Secure and Fair Enforcement for Mortgage Licensing Act (SAFE), Servicemembers Civil Relief Act (SCRA), The National Flood Insurance Program, Truth-in-Lending Act (TILA), TILA-RESPA Integrated Disclosure Rule, Unfair, Deceptive and Abusive Practices (UDAAP).

OnY Glo, Inc. upholds the higher standard requirements as per 3.1.12.18 Dodd-Frank Compliance.

NDCL agrees to comply with all applicable laws and regulations.

## 13. HMDA / Regulation C

It is the responsibility of the NDCL to comply with Regulation C, as applicable. OnY Glo, Inc. will only report transactions on its HMDA LAR if OnY Glo, Inc. has made a credit decision on the transaction. The NDCL should refer to their own legal counsel as it relates to any HMDA reporting requirements.

## 14. Interim Servicing

The servicing of the Mortgage Loan is the responsibility of the NDCL until the Mortgage Loan has been purchased by OnY Glo, Inc., servicing rights have been released, and the Mortgage Loan servicing has been transferred to the OnY Glo, Inc. Servicing Department.

### Remittance of Borrower Payments

Seller must remit any payments received from any borrower to Purchaser at the address specified below:

OnY Glo, Inc.  
Attn: Servicing

6 Hutton Centre Dr., Suite 1030  
Santa Ana, CA 92707

## Transferring Servicing

All Mortgage Loan servicing transfer must be compliant with the servicing transfer requirements:

- Complete payment history and copies of notices to borrower(s), taxes, insurance, and other fees or costs due submitted.

## 15. Quality Control

All NDCL Mortgage Loans are subject to the OnY Glo, Inc. Quality Control Plan (“QC Plan”). Any findings by OnY Glo, Inc. will be communicated to the NDCL as per the QC Plan to ensure NDCL has an opportunity to address the findings. The communication of a finding on an NDCL’s Mortgage Loan will be communicated via a formal Findings Notice delivered to the NDCL via email as per the Notices section of the MLPA.

A formal response by the NDCL to OnY Glo, Inc. is due within five (5) business days from the delivery date of the Findings Notice. It is the NDCL’s responsibility to conduct their own due diligence and investigation on the findings. The response from the NDCL must detail the specific steps taken to remedy the findings and provide supporting documentation.

Any quality control-related information, including a Findings Notice, is to be treated as confidential material that may not be shared to outside parties without the written approval by OnY Glo, Inc. Confidential material may only be shared in compliance with law enforcement requests or applicable law without the written approval of OnY Glo, Inc.

The NDCL is required to self-report any significant defects to OnY Glo, Inc. as per the MLPA and the NDCL’s internal quality control plan. Failure to self-report loan-level findings deemed as significant defects may be considered a material breach of the MLPA.

Lack of response to a finding or negligence in reporting significant findings to OnY Glo, Inc. may be considered a material breach of the NDCL-Purchaser Relationship. Resolution of a material breach is at the sole direction of OnY Glo, Inc. and includes, but is not limited to, corrective action and/or termination of the MLPA with OnY Glo, Inc.

At its own discretion or in the fulfillment of contractual obligations and/or applicable laws, OnY Glo, Inc. may report findings to investors, regulatory or governmental bodies, insurers, and guarantors.

**Simplified Lending. World-Class Service. Close Quickly with OnY Glo, Inc.**