

INTRODUCTION

The Correspondent Lending Division of Wintrust Mortgage (WM), a division of Barrington Bank & Trust Company, N.A., (Wintrust Mortgage) purchases closed loans from approved Correspondent Sellers throughout the United States.

The Partner Guide sets forth the detailed terms and conditions governing a Correspondent Sellers participation in Wintrust Mortgage's Correspondent Lending Program.

The Partner Guide is posted to our website at www.corr.wintrustmortgage.com and it is updated as needed.

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I. REGISTRATION / PRICING POLICY

Interest rates and purchase prices are quoted on the Wintrust Mortgage Rate Sheet. Purchase price is quoted gross and include the servicing release premium (SRP). All prices are quoted as a percentage of par (100.00). Individual loan price quotes may be obtained in our online pricing system, located in the [TPO Connect Client Portal](#).

Interest rate and price quotes, although subject to change without notice, usually remain in effect from 10:00 a.m. CST until 11:59 p.m. CST Monday through Saturday and until 8:00 p.m. CST on Sunday (Jumbo programs until 4:00 p.m. CST Monday through Friday only). Wintrust Mortgage is currently not offering overnight price protection on its programs, though pricing will remain live on the weekends. This allows Correspondent to continue to lock past 12:00 p.m. CST on Friday and until Sunday at 8:00 p.m. CST. When programs reflect expired on our pricing engine, the system will not permit you to lock until pricing is made available. This may be after a price change or the following morning.

Correspondent is encouraged to contact our Secondary Marketing Department at CorrSecondary@wintrustmortgage.com or by calling 800-999-2649 with questions related to rate or price.

The Wintrust Mortgage rate sheet is available via email upon request to lenders that have a Secondary Marketing Desk. Individual loan originators should not receive our rate sheet and only use the TPO Connect Client Portal to obtain pricing. Loan originators who use our rate sheet or the online pricing system will be subject to using the LLPA's in the points and fee testing.

The registration or lock of a loan is performed by the Correspondent through the online pricing system. Correspondent is not required to register a loan that is floating. A Correspondent that is utilizing our non-delegated option will automatically register their loan (if floating) by uploading the application (1003) to our website. Please refer to registration/submission procedures in the underwriting section of the guide. A Delegated Correspondent is to lock their loans prior to loan delivery. Users authorized by the Correspondent will be assigned an id/password to lock loans.

To lock a loan, follow these procedures:

- Login to the [TPO Connect Client Portal](#)
- Enter your personal ID/password to login
- Select the 'Scenarios' option
- Enter your loan parameters and submit for a product/price
- Choose the program you wish to lock
- View the rate/price screen and select the rate/price
- Review all loan parameters in lock screen and complete any remaining fields
- Submit for lock

Your lock request will be forwarded to our Secondary Marketing Department for review and approval. Once your lock has been accepted, you may print your lock confirmation by logging into our website and viewing the imaged items within the loan. It is the Correspondents responsibility is to view all lock confirmations for accuracy and notify Secondary Marketing the same day of lock if any data is incorrect.

All loans should be delivered as they are locked. If parameters change throughout the process of the loan file, Correspondent is to email corrsecondary@wintrustmortgage.com to notify them of any changes. Secondary Marketing will make any rate or price adjustments based on the changes and post an updated confirmation to the website. A loan cannot be purchased unless the lock matches the submitted loan file.

Best Efforts Commitments

Best-Efforts deliveries are loans that are price protected with a locked interest rate and price, and are borrower and property specific. A change in property is considered a new application and it is subject to current market pricing. Change of borrower(s) is acceptable as long as one of the original borrowers remains on the loan application and that borrower was listed on the initial lock request. If the original borrower(s) change, the loan is considered a new registration and subject to current market pricing. The Correspondent is expected to use its best efforts to disburse a rate locked loan and deliver it to Wintrust Mortgage on or prior to the lock expiration date. Correspondent will have three business days past the loan file review date to clear conditions. If conditions are not cleared within that timeframe, Wintrust Mortgage will automatically extend the loan for 7 days at .01bp per day, until the loan is purchased.

Loans that close and are locked with Wintrust Mortgage are expected to be delivered to Wintrust Mortgage. It is expected that the Correspondent and Wintrust Mortgage will honor its rate—locked registrations, regardless of any market movements.

All references to number of days and price delivery periods refer to calendar days. If the lock expiration date falls on either a weekend or a holiday, the price will be honored until 6:00 p.m. CST on the next business day. The lock expiration will roll forward to the next business day.

This pricing policy cannot encompass all of the circumstances or opportunities that can be encountered in the loan origination process. Wintrust Mortgage will consider these special cases on an individual basis.

Wintrust Mortgage offers standard 15, 30, 45, 60 and 90 day delivery periods with no fee to the Correspondent. Wintrust Mortgage also offers extended lock periods of 120, 180, 270 and 360 days.

All changes, extension requests and relocks are to be requested through our Secondary Marketing Department. Email corrsecondary@wintrustmortgage.com with the information that needs to be changed or with the number of days needed for the extension / relock by 5:00 p.m. CST.

Correspondents may increase the expiration date for any best effort commitment via a rate lock extension or a relock. We strongly encourage you to lock your loans using the appropriate lock period to avoid incurring an extension fee. The 15 day lock period should only be chosen for loans that have been issued a clear-to-close.

A Best Effort Commitment may be extended for a maximum of 30 days from the original lock expiration date for loans that have not yet been closed. The available extension periods with the corresponding costs are as follows:

| Extension Period | Extension Cost |
|-------------------------|-----------------------|
| 7 Days | .140% |
| 15 Days | .300% |
| 30 Days | .600% |

**If more time is needed this may be allowed with additional fee(s).

It is recommended that an extension be requested prior to the expiration of the original lock period to preserve your pull through ratio, and to avoid a relock.

If a loan is not closed, disbursed, or delivered by the lock expiration date and an extension is not requested on or before the lock expiration date the Best Effort Commitment will only be eligible for relock. If an application is delivered and not funded by the target funding date, Wintrust Mortgage will automatically extend for 7 days and assess a .07% extension fee. This automatic extension will be a maximum of 8 times for a total of 56 days. If the loan still has not been purchased after the last automatic extension has expired, the best effort commitment is subject to a relock as described within this policy.

Jumbo extensions are at a cost of .10 in 5 day increments. Jumbo loans can only be extended twice for a max of 30 days.

Relocks

The relock starts a new commitment period on the date the relock is requested and approved. Correspondents may not relock the loan for a period greater than the original lock. Relocks carry a .125% relock fee in addition to the worse case pricing calculation. When an additional relock is needed, it will carry a .30% relock fee in addition to worse case pricing.

A relock will be priced at the lower of the current Best Efforts Commitment price or the current market price.

Jumbo relocks are worse case pricing and may carry additional fees. Please contact Wintrust Mortgage Secondary Marketing.

Expired rate locks that have not closed for 30 days or more will be considered a new lock. The old lock will be considered fall out and will count against the Correspondents pull through.

Changes to the Best Effort Commitments

If Correspondent needs to make a change to an existing rate lock commitment, the following policies will apply:

| Scenario | Policy |
|-------------------------------------|---|
| Rate change under same loan program | If the note rate on a commitment changes, the commitment will be priced for the new rate with the pricing that was in effect when the loan was locked. |
| Loan program change | If the loan program changes, the lock will be priced for the new loan program with the pricing that was in effect when the commitment was requested. |
| Loan amount change | If the loan amount changes by more than \$10,000 or 10% of the loan amount, the loan may be subject to re-pricing based on the market prices at the time of notification. Adjustments will be at the discretion of Secondary Marketing. |
| Address change | A change in property address constitutes a new commitment. The existing commitment will be cancelled and a new commitment with the new address will be issued. |

Renegotiation Policy

In periods of sharply falling interest rates, Wintrust Mortgage recognizes that borrowers may walk away from their commitments for better terms elsewhere. When this happens, Wintrust Mortgage will allow the Correspondent to renegotiate the terms of the rate lock for their borrowers in order to keep the loan. The qualifications for renegotiation are as follows:

- The renegotiation must result in a benefit to the borrower.
- Eligible loan programs are conforming conventional and government fixed (excluding jumbo loans).
- Market must improve by at least 1.00 point and rate must improve by .125%.
- Pricing will be current market less .75 points.
- The renegotiation comparison will be based on the lock period and investor of the original lock. The loan must close, disburse and be delivered in fundable condition by the original lock expiration date.
- Expiration date will remain the same.

Escrow Waivers

Escrow waivers are to be requested at the time of lock. A price adjustment for the escrow waiver request will be identified in the pricing result. Escrow accounts are to be established for all FHA and VA loans. At closing the borrower(s) must provide an executed statement that acknowledges the borrower, (1) accepts all future responsibility for the timely payment of real estate taxes and hazard/flood insurance premiums, and (2) provides, in the future, tax receipts and copies of insurance policies to the Note holder as evidence of payment.

Once a loan is locked, it becomes part of the Wintrust Mortgage pipeline. In the event a loan does not close, the Correspondent is to notify Wintrust Mortgage by emailing both correspondent@wintrustmortgage.com and corrsecondary@wintrustmortgage.com. Please provide the loan number, borrower(s) name(s), and reason for cancellation in the email.

Correspondents are advised to register / lock only those loans that are expected to close. Cancellation ratios will be monitored and excessive cancellations may result in termination of the Correspondent relationship. At a minimum, Correspondents should maintain 70% delivery ratio and \$1 million in volume per month to remain active.

Bulk Trade Commitments

Bulk Trade Commitments provide the Correspondent with the ability to obtain competitive pricing on a specified pool of identified mortgage loans that fit the terms of the commitment requested, Wintrust Mortgage eligibility guidelines, this Partner Guide and the terms of the Mortgage Loan Purchase Agreement with Wintrust Mortgage. Correspondent can comingle multiple eligible products and multiple interest rates into a single Bulk Trade. The delivery of the identified Mortgage Loans is mandatory and failure to deliver under the terms of the Commitment Confirmation will result in the assessment of a Pair-Off Fee.

Eligibility to execute Bulk Trades is set forth in the terms of this Partner Guide with Wintrust Mortgage. Correspondents can contact their Account Executive to request approval to conduct Bulk Trade Commitments with Wintrust Mortgage.

Mortgage Loans delivered into Bulk Trade Commitments must meet Wintrust Mortgage's eligibility requirements as set forth in the Mortgage Loan Purchase Agreement, Program Guides, this document and related documents.

Mortgage Loans previously locked in a Best Efforts Commitment may not be allocated or delivered into a Bulk Trade Commitment unless such loan was expired or cancelled greater than thirty (30) calendar days.

Bulk Trade Pricing indications are only provided to and Commitments executed with those individuals representing the Correspondent whom the Correspondent has expressly designated as having the authority to request and receive Bulk Trade pricing.

Correspondent may contact their Account Executive for information regarding designating individuals authorized to request and receive Bulk Trade Commitment pricing and to execute Bulk Trades on behalf of the Correspondent.

Pricing for Bulk Trade Commitments is not published through a rate sheet. To obtain pricing for a Bulk Trade Commitment eligible Correspondents email a Bulk Commitment Pricing Indication Request to tradedesk@wintrustmortgage.com.

The request is submitted to the Trade Desk in an Excel spreadsheet and must contain required loan-level attribute data in a Wintrust Mortgage approved format. Correspondent can contact the Trade Desk for the spreadsheet format and/or required data fields.

The Trade Desk will model the spreadsheet and, if pricing is available for the Mortgage Loan attributes presented, may offer a pricing indication in the form of a Bulk Trade bid price for the specified pool of Mortgage Loans at the sole discretion of Wintrust Mortgage. All Bulk Bid prices are conditioned upon the confirmation of the accuracy of the data supplied by the Correspondent and the eligibility of the Mortgage Loans delivered.

If the Bulk Commitment Pricing Indication Request spreadsheet is not in the correct format or does not contain sufficient data an email will generally be returned advising the sender that the spreadsheet is incorrect. Correspondent can contact the Trade Desk for Bulk Commitment Pricing Indication Request submission support.

The Correspondent's Authorized Trader must contact the Wintrust Trade Desk by phone/email within sixty (60) minutes of issuance of a Bulk Bid Pricing Indication to confirm and accept the indicated price.

Until a Bulk Trade Confirmation is issued, all price bids are indications and subject to change without notice. This includes verbal or email indications of pricing and fees provided by the Trade Desk.

Overnight price protection is not available.

Upon acceptance of the Pricing Indication by the Correspondent's Authorized Trader and by Wintrust Mortgage, the Trade Desk will create a Mortgage Loan file using the Mortgage Loan data Bulk Trade tape when the bulk bid is accepted. Correspondent is expected to upload a Fannie 3.2 1003 into the Wintrust system at the time of bid acceptance. Once associated with a bulk bid, the Mortgage Loan will appear in the Correspondent's pipeline and a Lock Confirmation will be available.

Wintrust Commitment Desk will allocate the indicated Mortgage Loans to the Bulk Trade Commitment once the Bulk Trade Confirmation is created.

Each Bulk Trade Commitment is assigned a Commitment Number. As Mortgage Loans are allocated into the Bulk Trade Commitment, each Mortgage Loan is assigned a Wintrust Mortgage Loan Number. Wintrust Loan Numbers are then associated with that Commitment until a Mortgage Loan is de-allocated from that Commitment.

Contact the Trade Desk to de-allocate Mortgage Loans.

The total price for each Mortgage Loan included in the Bulk Trade Commitment is an all-in value, comprised of base price, loan-level price adjustments, and Service Release Premium (SRP). Each Mortgage Loan is subject to applicable fees in effect as of the Bulk Trade Commitment lock date/time; or as otherwise noted in this Guide.

Once the Bulk Trade Confirmation has been accepted by the Correspondent's Authorized Trader, Correspondent can begin uploading the Mortgage Loan Documents for the Mortgage Loans that were allocated to the Commitment by the Wintrust Mortgage Trade Desk.

Bulk Trade tapes capture limited Mortgage Loan information. Correspondent is responsible for reviewing Loan eligibility guidelines and determining Mortgage Loan eligibility when submitting Mortgage Loan data for consideration in a Bulk Trade tape. Unless otherwise specified, it is required all Mortgage Loans presented meet WM Branded guidelines. Any requests for products outside of the WM Branded offerings must be presented at bid request.

Acceptance of a Mortgage Loan file data in a Bulk Trade tape is not indicative of the eligibility of that Mortgage Loan for purchase by Wintrust Mortgage.

Mortgage Loan files will be subject to prior-to-purchase review by Wintrust Mortgage, at its sole discretion and as an option but not as an obligation. A Bulk Trade Commitment is not an absolute commitment to purchase a Mortgage Loan or Mortgage Loans, as it is conditioned upon the eligibility and acceptability of the Mortgage Loan(s) for purchase by Wintrust Mortgage under the program and product for which it is submitted, the accuracy of all data provided, and compliance of each Mortgage Loan with the terms of the Agreement.

Correspondent may request to extend, or roll the Commitment Expiration Date of the undelivered portion of a Bulk Trade two times for a maximum term of thirty (30) days on each roll and for a cumulative Commitment term not to exceed ninety (90) days. Bulk rolls may be requested for any number of days from 1 to 30 days as a cost of 2 basis points per calendar day. Wintrust Mortgage may grant additional rolls by exception.

If the new Commitment Expiration Date falls on a weekend or holiday, the expiration will roll to the end-of-day on the next business day.

A Bulk Trade Commitment may not be cancelled. Failure to fulfill a Bulk Trade Commitment will result in a Pair-off fee.

Bulk Trade Commitment Pair-off fee is calculated as follows:

- Price Adjustment = Maximum of 0 or [Current Price – (Price At Lock + Extension/Roll Fees)]
- Pair-off Fee = (Price Adjustment + Pair-off Penalty Fee) *Under-Delivery Amount

If a Mortgage Loan is delivered and not funded by the target funding date, WM will automatically extend for 7 days and assess a .14% extension fee. .

Correspondent is responsible for notifying Wintrust Mortgage of any changes to Mortgage Loans that were specified when obtaining a Bulk Trade Commitment as soon as a change is discovered, irrespective of Mortgage Loan delivery status. Mortgage Loan changes are evaluated and assessed by Wintrust Mortgage for the impact of that change on Bulk Trade Commitment terms, price and/or eligibility.

Mortgage Loan changes that materially differ from Bulk Trade Confirmation terms may result in re-price, relock, commitment cancellation or Mortgage Loan ineligibility for delivery to Wintrust Mortgage.

An interest rate change to a Mortgage Loan specified in a Bulk Trade Commitment must be evaluated by Wintrust Mortgage for acceptability and price impact.

A program change to a Mortgage Loan in a Bulk Trade Commitment must be evaluated by Wintrust Mortgage for acceptability and price impact.

A property address change to a Mortgage Loan in a Bulk Trade Commitment may subject the Mortgage Loan to Re-price or may impact the Mortgage Loan eligibility.

Correspondent may substitute a Mortgage Loan delivered into a Bulk Trade Commitment, subject to Commitment terms, the terms in this agreement, the terms of the Mortgage Loan Purchase Agreement and Wintrust Mortgage eligibility guidelines. Substitutions are limited to one per trade. Loan replacements may be replaced by multiple loans totaling a similar loan amount. Replacement loans cannot be replaced and would be paired off. Wintrust Mortgage may choose to deny a Mortgage Loan substitution in a Bulk Trade for any reason. If Wintrust Mortgage accepts substitution in a Bulk Trade Commitment, then the Mortgage Loan may be priced in accordance with the following:

- Wintrust Mortgage will determine the price it would bid on the substitute Mortgage Loan as if it was bid in a new Commitment with the number of days remaining in the rejected/cancelled Mortgage Loan's Commitment as of that date.
- The price on the substitute Mortgage Loan will be equal to the price on the rejected/cancelled Mortgage Loan as of the lock date less any applicable fees on the rejected/cancelled Mortgage Loan.

The Delivery Variance on Bulk Commitments is the lesser of: (a) plus or minus two percent (2%) of the original commitment amount or (b) one hundred thousand dollars (\$100,000), unless otherwise stated on the Commitment Confirmation.

An under-delivery results when the principal balance of Bulk Mortgage Loans delivered into a commitment is less than the commitment amounts minus the applicable delivery variance amount, calculated as follows:

Under-Delivery Amount = Maximum of 0 or [Commitment Amount – Delivery Variance Amount – Delivered Amounts]

An over-delivery results when the principal balance of the Mortgage Loan(s) delivered into a commitment exceeds the commitment amount plus the applicable delivery variance amount, calculated as follows:

Over-Delivery Amount= Maximum of 0 or [Delivered Amount – Commitment Amount – Delivery Variance Amount]

Over-deliveries are generally not accepted by Wintrust Mortgage. Contact the Trade Desk to request an exception and obtain pricing.

In the event that a Mortgage Loan delivered into a Trade Commitment is cancelled or rejected and the Trade has passed the initial Delivery Due Date:

- If the Trade has passed its initial Delivery Due Date and all or a portion of the Trade has been Extended (rolled), the Correspondent will be offered the opportunity to pair-out of the amount of the principal balance on the cancelled or rejected Mortgage Loan or to deliver a substitute Mortgage Loan to fill the trade.
 - If paired-out, the Correspondent is assessed any roll fees due for the principal amount of the cancelled or rejected Mortgage Loan retroactively to the initial Delivery Due Date through the date the Mortgage Loan was cancelled or rejected and a Pair-off fee for the Pair-off amount.
 - If substituted, the Correspondent is assessed a roll fee for the principal balance of the cancelled or rejected Mortgage Loan from initial Delivery Due Date through the rolled due date and again through the final settlement date for the principal balance of that Mortgage Loan.
- If the Mortgage Loan is cancelled or rejected after the initial Delivery Due Date, and the Trade was previously settled, a roll fee will be automatically assessed in the amount of the principal balance of the canceled or rejected Mortgage Loan from the initial Delivery Due Date to the canceled or rejected date. The Correspondent is then offered the choice of substituting a Mortgage Loan to re-fill the trade, or to pair-out of that amount of the trade.
 - If paired-out, the Correspondent is assessed the roll fee from the initial Delivery Due Date to the date the Mortgage Loan was cancelled or rejected along with the Pair-off fee.

II. Eligible Borrowers

Wintrust Mortgage purchases mortgages made to individual persons only. If the borrower is another type of legal entity such as a corporation, s-corporation, non-revocable inter vivos trust, life estate, land trust (excludes Illinois), general partnership, or real estate syndication; the mortgage is ineligible for sale to Wintrust Mortgage. Loans for which custodian, agent, conservator, or guardian is signing on behalf of the borrower, non-borrower spouse, or a vested owner are not allowed.

The originating lender for the loan must have conducted all origination and underwriting procedures without regard to the borrower's race, color, religion, national origin, age, sex, marital status, or status in any other class of persons protected under state or local laws applicable to the gender jurisdiction of the of the mortgage property.

Any person signing an application for a loan is a borrower. All borrowers must sign the Note.

The borrower(s) must be an individual(s). Title must be in borrower's name at time of application for refinance transactions and at time of closing for all transactions. Borrowers must meet credit and program eligibility requirements.

U. S. Citizen

The borrower must have a valid social security number and be a citizen of the United States or of a U.S. Possession or Territory.

Permanent Resident Alien

A permanent resident alien is a non-U.S. citizen who is legally able to maintain permanent residency in the United States and holds a permanent resident card. Correspondent must verify borrower has all of the following:

- A valid and current permanent resident card “green card” (form I-551). See www.uscis.gov for more information.

Non-Permanent Resident Alien

A non-permanent resident alien is a non-U.S. citizen who enters the United States for specific periods (typically up to six years) under the terms of a Visa. A non-permanent resident status may or may not permit employment. Non-permanent resident aliens who are permitted employment and meet the guidelines below are only eligible for a primary residence or second home if the product guidelines permit. Correspondents must verify borrower has all of the following:

- A valid social security number
- Documentation to support that the borrower is eligible to work in the U.S. as evidenced by an unexpired Employment Authorization Document (EAD) issued by United States Citizenship and Immigrations Services (USCIS).
 - If the authorization for temporary residency status will expire within one year and a prior history of residency status renewals exist, continuation may be assumed. If there are no prior renewals, the likelihood of renewal must be determined based on information from USCIS.
 - Borrowers sponsored by a specific employer do not need an EAD. A valid passport, a letter from the employer/sponsor and an I-94 or I-797 form proving they may work in the U.S. are acceptable in lieu of the EAD.
 - A Social Security card may not be used as evidence of eligibility of employment; the USCIS EAD must be used.

An individual classified under Diplomatic Immunity, Temporary Protected Status, Deferred Enforced Departure or Humanitarian Parole is not eligible.

All borrowers must have reached an age when the mortgage Note can be legally enforced in the jurisdiction where the property is located. There is no maximum age limit for borrowers.

First-time Homebuyer

A first-time homebuyer is a borrower who will purchase and reside in the subject property and has had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of purchase of the subject property.

Non-Purchasing Spouse

To perfect a lien under governing state law when a married applicant purchases a property without involving a spouse, Wintrust Mortgage requires the spouse to sign the security instrument and any other applicable documentation, to confirm relinquishing all rights to the property.

Non-occupant Co-borrower

A non-occupant co-borrower is a credit applicant that has an ownership interest in the property securing the mortgage and who signs the Note but does not occupy the subject property. Please refer to the specific product write-up for all requirements of non-occupant co-borrower loans.

Arm's Length Transactions

An arm's length transaction is a transaction in which the parties involved are entirely independent of each other and have no reason for collusion.

Non-Arm's Length Transactions

If a direct relationship exists between any of the parties in a transaction including the borrower, client, employer, lender, broker, appraiser, seller, or builder, the transaction will be considered non-arm's length. These transactions are not intended to bail out a family member or current owner from an existing delinquent mortgage. When individuals wish to purchase or refinance property currently or recently owned by an individual with whom they have an established relationship, the following requirements apply:

- Purchases – Title commitment may not evidence foreclosure proceedings or notice of default.
- Refinances – If the borrower has been on title less than six months from date of application, payoff demand from the purchase transaction must reflect the mortgage was current at the time the borrower purchased the property.

In purchase transactions where the seller is a corporation, partnership, or any other business entity, Correspondent must ensure the borrower is not an owner of the business entity selling the subject property. In addition, the borrower must have a minimum of 5% of his/her own funds in the transaction.

Borrower is an Interested Partner

This type of transaction is not allowed if the builder, property seller, and/or any party currently on title to the subject property are any of the following:

- A company owned by the borrower
- A borrower who is related to the builder, property seller, or any party currently on title as a registered agent, sales agent, partner, or employee

Multiple Mortgages to the Same Borrower

Multiple mortgages to the same borrower are permitted provided the product guidelines permit. It is the Correspondents responsibility to meet all agency guidelines.

Living or Illinois Land Trusts

Living or Illinois land trusts are permitted provided the product guidelines permit. It is the Correspondents responsibility to meet all agency guidelines.

Leasehold Estates

Leasehold estates are permitted provided the product guidelines permit. It is the Correspondents responsibility to meet all agency guidelines.

III. Occupancy Types

Primary Residence

A primary residence is a property physically occupied by the borrower as his/her principal residence. Residency is defined by the following criteria:

- Borrower occupies the property as his/her principal residence
- Borrower occupies the property for the majority of the year
- Property location is convenient to the borrower's principal place of employment
- Property address is of record for one or more of the following:
 - Federal income tax reporting
 - Voter registration
 - Driver's license, Occupational licensing, etc.

If a loan is granted as a primary residence transaction, it is imperative that the borrower occupies the property within 60 days of closing. The loan documents must provide that the loan may be declared in default if the borrower makes misrepresentations for any provision of the application, including occupancy.

Second Home

A second home is a one-unit property a borrower occupies in addition to his/her primary residence. The following eligibility criteria must be applied:

- Property must be suitable for year-round occupancy
- Property must be in such a location as to function reasonably as a second home. Typically, the property is located a reasonable distance from the borrower's primary residence
- Borrower must have exclusive control over the property
- Property must not be subject to any kind of timesharing agreement, rental pools, or agreements that require the borrower to rent, share the property, or give management firm control over occupancy.

Investment Property

An investment property is owned, but not occupied by the borrower. This is true regardless of revenue generation. The property must be suitable for year round rental and occupancy.

The borrower on a loan for an investment property may not be affiliated in any way with the builder, developer, or seller of the mortgaged premises.

IV. Transactions

Purchase

A purchase mortgage loan involves the purchase of a mortgage property as defined by a sale and purchase agreement executed by the borrower and seller, which represents a first and/or second lien on the property. Wintrust Mortgage requires the seller be the owner of record.

In purchase transactions where the seller is a corporation, partnership, or any other business entity, the Correspondent is to ensure the borrower is not an owner of the business entity selling the mortgaged premises.

Loans where the purchase agreement has been assigned are not eligible.

A transaction where the property was previously sold within the last 12 months requires scrutiny to ensure the transaction is legitimate. Some characteristics of fraudulent transactions include but are not limited to foreclosure bailouts, distressed sales, and inflated values due to stated improvements that are not supported.

Purchase transactions do not allow for cash back to the borrower at closing. If the borrower receives a refund of the original cash deposit at closing, evidence of payment of the deposit is required (i.e., cancelled check).

Unless restricted by loan program, the borrower may receive cash back for prorated taxes at closing.

Within limitations imposed by applicable state laws, closing costs may not be financed as part of a purchase transaction (with the exception of mortgage insurance).

Purchase Mortgages for Properties Recently Transferred:

- A property that is sold within 91-180 days after acquisition by the seller is eligible with the following restrictions:
 - If the sales price of the property is more than the seller's Purchase Price, the appraisal must include an acceptable explanation and documentation to support the difference, including a description of any improvements that were made.
 - If the increase in value is due to remodeling or renovation of the property, the appraiser must provide contracts, receipts, and acceptable photos of all improvements to support the increase in value.

Rate/Term Refinance

A rate/term refinance transaction represents a loan that is used to payoff an existing loan and lien with a new loan. This new loan secures the mortgaged premises in order to acquire a different interest rate or loan term. Cash removal, other than from incidental sources related to the transaction, is prohibited.

A rate/term refinance transaction is a loan for which proceeds are distributed for one or more of the following purposes:

- Payoff of the outstanding principal balance of an existing first loan and lien plus any required per diem interest.
- Reasonable and customary loan cost or fees (including prepaid items) within limitations imposed by applicable laws.
- Incidental cash back not to exceed the lesser of \$2,000 or 2% of loan amount, dependent on loan program.
- Buy-out of co-owner.
- A refinance transaction that results in a buy-out of the other party's interest in his or her primary residence is considered a rate/term refinance (i.e., divorce settlement or a buy-out of a sibling). Refinance to buy-out a co-owner or ex-spouse is permitted provided agency guidelines are followed for conforming loans and the product guidelines followed for non-conforming loans.

Cash-out Refinance

A cash-out refinance is a loan used to remove equity from the property. Funds received from cash-out refinance transactions may be used for purchases such as:

- Reasonable and customary closing cost or fees (including prepaid items) within limitations imposed by applicable laws
- Debt Consolidation
- Cash back over and above the incidental amount allowed for a rate/term refinance is greater than payoff lines of credit with cash advances in excess of those allowed for rate/term refinances
- Payoff of federal and state local income tax liens and delinquent property tax liens
- Buyout of a co-owner who does not meet the rate/term refinance requirements

Restructured loans/short payoffs are not eligible for financing as a cash-out refinance.

V. Financing

For any loan, the amount that may be financed is determined by factors specific to that loan, including, but not limited to the type of financing, loan-to-value (LTV) ratio, loan amount, property type, and income determination.

Determining Value

First Mortgage Transaction Value:

- **Purchase** – value in a purchase transaction is generally defined as the lesser of the purchase price or appraised value of the mortgaged premises.
- **Rate/term Refinance** – value in rate/term refinance transactions is generally defined as the appraised value of the mortgaged premises.
- **Cash-out Refinance** – value in cash-out refinance transactions is generally defined as the appraised value of the mortgaged premises on conforming loans. Product guidelines should be referenced for other program types.
- **Conversion of Construction Financing to Permanent Mortgage** – Determine LTV/CLTV's according to the transaction type and ownership seasoning as outlined in the specific product guidelines.
- **Contract for Deed/Land Contracts** – Determine LTV/CLTV's according to the type of contract and ownership seasoning established in the specific product guidelines.
- **Lease with Option to Purchase** – The value is determined by the lesser of the purchase price or the appraised value of the mortgage premises.
- **Secondary Financing or Subordinate Financing** – will permit subordinate or secondary financing as outlined in the specific product guidelines. The second mortgage must be clearly subordinate to the Correspondent funding first mortgage and be recorded as such. Ineligible Secondary Financing includes:

- Subordinate mortgages subject to an interest rate buy-down plan
- Subordinate mortgages that allow negative amortization
- Subordinate mortgages that have wraparound terms
- Secondary financing held by the property seller
- Tax and judgment liens
- Subordinate mortgages that have a prepayment penalty

The terms of any secondary financing must be fully disclosed and documented in the credit package and must comply with the following:

- Mortgage cannot have a maturity date or a call option date of less than five years, unless it is fully amortizing
- Monthly payments must be included in housing and debt ratio analysis
- Scheduled payments must be due on a regular basis
- Requires interest at a market rate

Seller Concessions / Contribution Limitations

Any costs that are normally the responsibility of the borrower paid by another individual are considered contributions.

Contributors may include direct participants such as the builder, seller, developer, or real estate agent. Contributions from someone with whom the borrower has an established relationship are not considered financing contributions. These funds are considered gifts and are treated as such.

Certain amounts of financing contributions are allowed as outlined in the product guidelines.

Sales concessions require a downward adjustment to the property's sales price by the amount of the sales concession. Sales concessions include but are not limited to furniture, moving costs, prepayment of HOA fees, prepayment of the homebuyers mortgage payment, vacations, automobiles, other items considered to be giveaways, assignment of rent payments, etc.

Excessive Marketing Fees

Total real estate commissions and marketing fee payouts (in cash or in kind) that exceed 8% of the sales price are considered excessive and are not permitted on any loan purchased by Wintrust Mortgage.

Escrow for Repairs

Correspondent may establish an escrow account with the closing agent for repairs provided only if exterior weather related. The maximum repair escrow is 10% of the lesser of the sales price or appraised value. Wintrust Mortgage approval is required prior to closing.

The amount from builder/seller will require 150% escrow. A fully executed Escrow Agreement is required reflecting Title/Closing agent to hold escrow funds. The Title/Closing agent must collect the final inspection fee and order the inspection when the repairs are complete. The final inspection must be forwarded to Wintrust Mortgage.

Texas Equity Loans

Wintrust Mortgage does not purchase Texas Equity loans. Wintrust Mortgage does not permit any cash out transaction in the State of Texas.

VI. Property

Wintrust Mortgage will purchase conforming and non-conforming loans for residential properties when the dwelling is described for the use of one-to-four families. The dwelling may be located on an individual lot, in a condominium, or within a PUD project.

Eligible Property Types

- Single family residence (one unit, attached or detached including townhomes and row homes)
- Modular homes, pre-cut home, panelized home
- Multi-family (2-4 units)
- Condominium (refer to the Condominium guidelines on website)
- Planned Unit Development (PUD), (refer to PUD guidelines on website)

Ineligible Property Types

- Assisted Living Projects
- Timeshare
- Condotels and Hotel Condominiums
- Mobile or Manufactured Homes
- Cooperatives
- Houseboats
- Geodesic domes
- Working farms, ranches, orchards, and/or commercial operations
- Unimproved land
- Multi-dwelling Condominium or PUDs
- Properties with deed restrictions that limit transferability of title, or contain a “first right of refusal” provision
- Residences lacking kitchen and bathroom facilities

- Mixed Use Property, unless property meets program specifics as defined by Fannie Mae or Freddie Mac
- Common interest apartments
- Investment Securities
- Multi-family dwelling containing more than four units
- Properties sold at Auction by builder, developer, or construction lender
- PUD Hotel

Contact the Correspondent Lending Division for any additional property types that are not listed above.

Location of Property

Wintrust Mortgage will purchase loans in urban, suburban, and rural areas with the exception of the state of Nevada, Miami-Dade County, Florida, Broward County, Florida, Monroe County, Florida, and Lava Zones 1 & 2 in Hawaii. Correspondent must hold a license for each state they lend within.

All properties, especially rural properties must be readily accessible by all-weather roads that meet local standards and must have adequate utilities available and in service.

Declining Market Policy

If appraiser notes that the property is in a “declining or soft market”, a reduction in LTV/CLTV/HCLTV will not be required on agency (FNMA/FHLMC) products; however, the following additional guidelines must be followed:

- A full URAR appraisal is required.
- Appraiser to provide two (2) additional comps of recent listings.
- Comps may not be older than six (6) months and two (2) within the last 90 days.
- Comps must be located within the neighborhood boundaries.
- Days-on-market for subject and comparable sales must be provided. The average days-on-market for the comparable sales must not exceed the “Marketing Time” box marked by the appraiser.
- If the appraiser is unable to meet any of the above requirements, the appraiser must provide a detailed explanation as to why the requirements were not met. Proceed to the product write-up for additional information on how to proceed.
- Government loans are not subject to Wintrust Mortgage’s declining market policy.

Property Impacted by Disaster

Correspondent must ensure that all loans sold to Wintrust Mortgage are secured by properties that have not been negatively impacted by a disaster and / or declared disaster areas by county, state or federal agencies.

Correspondent represents and warrants that the properties securing all loans submitted to Wintrust Mortgage are in good condition and have not been negatively impacted by any disaster as of the date Wintrust Mortgage purchases the loan. Correspondent also represents and warrants that the borrower's place of employment has not been negatively impacted by these events.

If Wintrust Mortgage discovers that a property was affected by a disaster that occurred prior to Wintrust Mortgage's purchase date, the Correspondent is obligated to repurchase the loan.

Correspondent agrees to notify Wintrust Mortgage immediately upon discovering that the property has been negatively affected by a disaster.

Wintrust Mortgage requires an appraisers' certification of the damage to determine if the loan is eligible for purchase.

If the appraisal was completed before the disaster, a 442 with photos are acceptable. If the appraisal was completed after the disaster, nothing further would be needed from the appraiser. The appraiser should indicate that the property was unaffected by the recent event.

Appraiser Requirements

Appraisers are required to submit the appraisal on conventional loans to both GSE's and obtain a document file status of "Successful" from both GSE's. Wintrust Mortgage will require both SSR's be included in the delivery of the loan file prior to purchase. Failure to submit the appraisals to the GSE's and obtain SSR's will result in the loan being ineligible for purchase.

VII. Loan Amounts and Ratios

Wintrust Mortgage will purchase conventional and government fixed-rate and adjustable-rate first mortgages that meet the quality standards for which the agencies apply to these types of mortgages. These requirements include conformance with maximum and minimum loan amounts and loan-to-value (LTV) ratios.

Maximum Conforming Loan Limits

Correspondent is responsible for ensuring the loan does not exceed the applicable loan limit maximum for the specific area in which the property is located. To determine the maximum loan amount by area, refer to the HUD website at: <https://entp.hud.gov/idapp/html/hicostlook.cfm>

Maximum Non-Conforming Loan Limits

Minimum and maximum loan limits for non-conforming loans are outlined in the specific product guidelines.

VIII. Underwriting

Correspondents have two options to utilize in obtaining their loan approval:

- Delegated Underwriting
- Non-Delegated Underwriting

Wintrust Mortgage does not allow a joint credit report to be used in an underwriting decision for un-married borrowers.

Delegated Underwriting

A Correspondent that is approved for Delegated Underwriting Authority with Wintrust Mortgage may underwrite all FNMA/FHLMC Conforming Fixed Rate and ARM loans. A Correspondent with Direct Endorsement approval may underwrite all FHA loans. A Correspondent with VA approval may underwrite all VA loans. A Correspondent with USDA approval may underwrite all USDA loans.

Wintrust Mortgage requires the Correspondent underwriter to sign and date the transmittal summary (1008) and include written comments as to the creditworthiness of the borrowers, the reason for approval, any compensating factors, etc.

Non-Delegated Underwriting

A Non-Delegated Correspondent will submit loans to Wintrust Mortgage underwriting. Correspondent is responsible for submitting a complete, fully processed loan file, including AUS findings if applicable. All Jumbo loans are to be underwritten by Wintrust Mortgage.

Fannie Mae Desktop Underwriter and Freddie Mac Loan Product Advisor

All loans types must be run through FNMA DU or FHLMC LP. It is the responsibility of the Correspondent to select the correct AUS outlined in the product write-up for each program.

- All DU or LP findings must match the final loan approval, 1008 and 1003
- The final AUS findings must be dated before and no later than the closing date
- Findings run after closing will be accepted provided the initial findings dated prior to closing are in the file with an Approve/Eligible or Accept recommendation

Fannie Mae Desktop Underwriter Sponsorship

If a Correspondent is not set up with Fannie Mae directly, Wintrust Mortgage will sponsor the lender. The Correspondent will request sponsorship online with FNMA and choose Barrington Bank & Trust Company, N.A.

Government Loans

For a Correspondent with Direct Endorsement or VA Automatic Lending Authority approval, traditional underwriting is acceptable to Wintrust Mortgage.

Non-Conforming Loans

Wintrust Mortgage is not offering Non-conforming products at this time with the exception of Jumbo loans.

IX. Closing and Delivery

Wintrust Mortgage requires all closed loan packages be delivered electronically. All closed loan files must be uploaded through the [TPO Connect Client Portal](#). The Original Note must be delivered via overnight/certified mail. Files received prior to 3:00 p.m. CST will be marked as received that day. Files received after 3:00 p.m. CST will be marked received as the following business day.

It is recommended that closers utilize Wintrust Mortgage's Closed Loan Audit Checklist throughout the closing process to ensure the file is delivered error-free. The quality of the closed loan submissions will be closely monitored by Wintrust Mortgage.

Wintrust Mortgage does not purchase "seasoned" loans or Conventional high cost loans. Loan must be purchased by WM within 45 days for LPA/Freddie Mac, 60 days for DU/Fannie Mae.

File Delivery

The Original Note must be delivered to:

Wintrust Mortgage
ATTN: Correspondent Operations
9700 W. Higgins Road, Suite 300
Rosemont, IL 60018

Pre- and Post-Purchase Reviews

Wintrust Mortgage will perform reviews on loans delivered for purchase. These reviews can be pre-purchase (done before a decision to purchase the loan is made) or post-purchase (done after the loan is purchased).

If Wintrust Mortgage determines that the loan is not of investment quality or does not otherwise conform to our guidelines, we reserve the right to deny any loan for purchase, or demand repurchase, as applicable. Wintrust Mortgage requires all borrowers to be employed at the time of purchase if the income was used to qualify.

Wintrust Mortgage requires that all 4506-Ts be executed prior to loan purchase.

Suspense Notification

Documents that are missing and / or incorrect are identified during the pre-purchase audit review process. Wintrust Mortgage will send a suspense notification to the Correspondent if applicable.

Correspondent is expected to satisfy conditions 1-3 days after receiving a suspense notification. Wintrust Mortgage will not accept conditions that have been piecemealed – please submit all conditions at one time.

If Correspondent has any questions regarding suspense notifications, email correspondent@wintrustmortgage.com.

Purchase Incentive

Wintrust Mortgage offers a purchase incentive on perfect closed loan package submissions. If Wintrust Mortgage determines there are no errors or missing documents, a \$50 bonus will be added to the purchase of your loan.

X. Documentation Requirements

Note

Correspondent is to use the most recent version of the Note for all product types/jurisdictions.

Correction fluid may not be used to correct errors on the Note. All corrections (strike-outs, etc.) must be initialed by all borrower(s).

The borrower must sign the documents exactly as the name is typed. The name must be consistent throughout the entire closing package.

The correct change dates, margins, rate increments and lifetime caps must be reflected if the loan is an adjustable rate mortgage.

The property address on the Note must be consistent through the file (Note, Mortgage, Rider, Closing Disclosure, Appraisal, Flood Certification, AUS approval, etc.).

If the property is a Condominium, the unit number must be included as part of the property address on the Note as well as the other closing documents in the file.

Note Endorsement

An endorsement must appear on the note (front or back is acceptable) or allonge. The endorsement must read:

Pay to the order of Wintrust Mortgage, a division of Barrington Bank & Trust
Company, N.A. Without Recourse

(Enter your full, exact company name as it appears on the Note)

Type officer's name and title below the signature line and the signor must sign as typed – please do not use a stamped signature.

Security Instrument

Correspondent is to use the most recent version of the Security Instrument for all product types/jurisdictions.

The original recorded document, recorder's certified copy, or a certified true copy is required. The recorded original is required as a follow-up document, if it is not present in the loan file. If a Rider is attached to the Security Instrument, the correct Rider box must be checked on the Security Instrument.

- The property address must be consistent with all other documents in file
- All borrowers must sign name as typed
- Loan Officer Name, NMLS identifier, Company Identifier and Company Name to be listed
- All pages of the Security Instrument must be included
- The Notary section must be complete
- Any strike-out/corrections must be initialed by the borrower(s) – correction fluid is not permitted

Corrections / Letter of Intent

The Letter of Intent is the primary means for corrections. This letter from the Correspondent is acceptable for corrections to be made on the Security Instrument and/or applicable riders. The Letter of Intent should include the following:

- A reference to the error to be corrected
- State that the borrower must initial the corrections made
- State that the corrected documents will be sent for re-recording Note: Act of Corrections is acceptable in lieu of a Letter of Intent in Louisiana.

Riders to the Security Instrument

All Security Instruments must be amended by one or more of the following Uniform or FNMA or FHLMC specific riders, as applicable. State specific riders must be used if required by FNMA.

- Multistate Planned Unit Development Rider if property is a PUD
- Multistate Condominium Rider if property is a Condominium
- Multistate 1-4 Family Rider if property is secured by 1-4 family investment property or 2-4 unit primary residence
- Multistate Second Home rider if property is secured as a second home
- Multistate Adjustable Rate Rider must be used for an adjustable rate mortgage
- VA Assumption Rider must be used for ALL VA loans
- Revocable Trust Rider Security Instruments for mortgages with inter vivos trust. Borrowers may be amended by a Revocable Trust Rider

Disclosures

Correspondent is to ensure that any description of the lender's program, and all other disclosures and material furnished to borrower, complies with all applicable state and federal laws and regulations.

Assignment / Transfer of Lien

Wintrust Mortgage prefers its Correspondents be set up with MERS either directly or by using Wintrust Mortgage's MIN # (1000312) to prepare MERS documents. Please contact correspondent@wintrustmortgage.com for more information about being sponsored by Wintrust Mortgage to prepare MERS documents.

Non-MERS Correspondents will be required to submit the original assignment with the closed loan package. The Correspondent should not submit the assignment for recording. Wintrust Mortgage will submit it for recording once the loan is purchased. The applicable county recording fee will be deducted from the wire amount.

A legal description is to be included in or attached to the body of the assignment.

Assignments are to read as follows:

Wintrust Mortgage, a Division of Barrington Bank and Trust Co. N.A.
9700 W. Higgins Road, Suite 300
Rosemont, IL 60018

Closing Disclosure

A final Closing Disclosure is required for all loans and must be signed by all parties.

Interest Credit to the borrower can only be made up to the 7th day of the month (exceptions may be available by contacting the Correspondent Operations Dept.).

All information on the final Closing Disclosure must be consistent through the file to include the property address, borrowers names, seller's names, sales price on purchase transactions, etc.

If applicable, aggregate adjustment should be reflected.

If a refinance, the closing and disbursement dates are shown – to and from dates for daily interest is reflected. Principal reductions on the Closing Disclosure are not permitted.

Initial Escrow Account Disclosure Statement / Escrows / Impounds

Initial escrow account disclosure statements are required on all loans in which escrows / impounds are being held by the servicer.

The starting balance of the statement should be equal to the escrow balance collected on the Closing Disclosure. All escrow balances minus the aggregate adjustment should equal the starting balance on the initial escrow statement disclosure.

A two month cushion is recommended (but not mandatory) in the initial escrow statement unless state regulations specify differently.

This statement must be provided to the borrower at the time of settlement. Initial escrow statements must include:

- Amount of total monthly payment
- Portion of monthly payment that is being placed into their escrow account
- Itemize the estimated charges such as school taxes, insurance premiums, etc. that are expected to be paid during the next escrow computation year. Include the description of the item, due date, term and disbursement amount
- Running trial balance which reflects the estimated activity in the escrow account during the next 12 months
- For loans with monthly FHA/MIP insurance, the MIP amount is NOT included in the calculation of the target balance/cushion
- The payout dates must be correct

Power of Attorney

A Power of Attorney is an authority by which one person (Principal) enables another (Attorney-in-Fact) to act for them. At least one of the borrowers must be present at the closing to execute documents.

The Power of Attorney must:

- Be specific to the transaction
- Be signed and dated by the party granting the power of attorney
- Be signed by an appropriate “witness” (if required by state law)
- Specifically identify the subject property address
- Be in effect on the date of the closing transaction
- Be notarized
- Not be an interested party in the transaction (i.e., real estate agent, seller, etc.)

A copy of the Power of Attorney is to be included in the closed loan package.

The proper signatures must be on the documents. The following signatures are acceptable:

- Borrower's name by the Attorney-in-Fact's name (Example: Jane Smith by John Smith, Attorney-in-Fact)
- The Attorney-in-Fact's name (Example: John Smith, Attorney-in-Fact)

Certification and Authorization

Each loan file submitted for purchase must contain a certification and authorization form signed by the borrowers. The form must comply with all applicable laws and include the following information:

- Authorization for the lender and its successors and assigns to order one or more credit reports
- Authorization for the lender and its successors and assigns to re-verify all information including, but not limited to, income, assets, employment, outstanding obligations after closing as part of a post-closing audit
- Authorization for the lender and its successors and assigns to inspect the property securing the loan for purposes of determining its market value and ensuring that it otherwise meets the lender's property requirements for the type of loan requested and in connection with any post-closing audit review
- Authorization for any third party who receives an original or copy of the Certification and Authorization to provide the Lender, or its agents, successors or assigns, as well as any investor or mortgage insurance carrier, any and all information and documentation requested
- Certification that all information provided is current, accurate, true, and correct, that the borrowers have not made misrepresentations in the loan application or any other related document and that they have not omitted any pertinent or material information

Tax Information Authorization Form (IRS Form 4506-T)

For all loans, Correspondents must obtain a signed and dated Tax Information Authorization form (IRS form 4506-T) authorizing Correspondent or its assigns to obtain income information at closing for all borrowers.

Name Affidavit

The Name Affidavit cannot be used for the Note or Mortgage/Deed of Trust. If the borrower did not sign their name exactly as typed, a new Note and Mortgage/Deed of Trust along with Letter of Intent to Re-record will be required. The Name Affidavit can be used for other documents in the file.

Tax Certificate / Tax Authorization Form

A completed Tax Certificate must be in the file. A Tax Authorization form is required in NJ, PA, NY, or IL.

Taxes

The seller is required to pay tax installments in compliance with RESPA regulations. The Correspondent is responsible for ensuring that all real estate taxes on the loan have been paid and are current. Taxes that are due within 60 days of the closing date must be paid. If the tax bill is not out, the Correspondent is responsible for arranging with the closing agent to hold a TI for the taxes. Closing agents should use 1-1/2 times the last installment of taxes and Wintrust will require a copy of the TI agreement. Once the tax bill is out, taxes should be paid by the closing agent and proof of payment should be provided to Wintrust Mortgage. If the tax bill is out, Wintrust Mortgage will require taxes be paid at the closing table and no Tax Indemnification (TI) should be set up. If the borrower waived their escrows, a TI will still be required if due within 60 days and the tax bill is not out.

Application

A signed and dated final application (1003 for Conventional, FHA, and VA loans, 92900 with addendums for FHA loans, and 1802 for VA loans) is required in every loan package delivered for purchase. It is imperative that the application reflects the final loan approval and all government monitoring information be complete. The final 1003 must match the final 1008 and AUS findings. In addition, the loan originators signature must appear on the initial 1003 and final 1003 (final 1003 can have the loan officer's signature signed by another employee as long as employee initials on their behalf) along with their NMLS ID #.

Marital Rights – Non Owner Spouses

Some states have enacted marital rights laws (i.e., community property, dower/curtsey, or common law) that provide marital rights to certain property regardless of how ownership is documented. In these states, an individual who is not on the deed or title may have rights to real property owned by their spouse. In addition, various states have enacted homestead laws, which also provide rights to spouses. In common law states, either spouse can own property without the knowledge, approval or consent of the other, so a non-titled spouse would not be required to sign or receive any documents relating to the property. Non-titled spouses in community property and dower/curtsey states and states with homestead rights are required to sign the Security Instrument (Deed of Trust, Mortgage or Security Deed) to relinquish their rights to the lender during the term of the mortgage loan. This requirement allows the lender to foreclose in the event of default on the loan. In community property states, the non-titled spouse must receive and sign the notice of Right to Cancel and- because receipt of material disclosures must precede receipt of the NORTC- must receive the final closing disclosure. The closing disclosure does not have to be signed, but the fact that the non-titled spouse received the closing disclosure must be documented in some way. In downer/curtsey states and states with homestead rights, delivery of the NORTC and closing disclosure to the non-titled spouse is not required.

Right of Rescission

Right of Rescission documents must be signed and dated by all borrowers and all parties on title. Right of Rescission should be signed and dated the same day as the closing disclosure and Security Instrument was notarized. If Rescission is not signed by all parties, dates are missing or incomplete, or if the borrower did not receive a full three days, Wintrust Mortgage will suspend for a new rescission period to be opened and disclosed

to the borrower(s). The new rescission notice must have current dates. Waivers of rescission period are not permitted.

State and Federal Disclosures

All disclosures must be in compliance with state, federal and local mortgage lending laws and regulations. Wintrust Mortgage will accept loans for funding/purchase (on products which permit) in which borrowers received federal and state disclosures electronically according to the requirements outlined by the Electronic Signatures in Global and National Commerce (E-SIGN) Act of 2000. Correspondents must complete an E-Delivery of Initial Disclosures Acknowledgement Form prior to delivering e-disclosed loans for funding/purchase.

W9 Form

The W9 is required to be signed by all borrowers.

Year End Reporting

Correspondent is required to provide the 1098 to the borrower for pre-paid interest collected at closing as reflected on the final closing disclosure and for points paid by the borrower to the Correspondent. Wintrust Mortgage will only provide the 1098 for interest on payments received.

Hazard Insurance

At a minimum, the mortgaged premises must be protected against loss or damage from fire and other perils covered within the scope of the standard extended coverage endorsement. Wintrust Mortgage will not accept hazard insurance policies that limit or exclude from coverage (in whole or in part) windstorm, hurricane, hail damage, or any other peril that is normally included under an extended coverage endorsement. The hazard insurance coverage must equal the lesser of the following:

- 100% of the insurable value of the improvements as established by the property insurer; or
- The unpaid principal balance of the first mortgage and the second mortgage loan amount, as long as it equals the minimum amount of 80% of the insurable value of the improvements required to compensate for damage or loss on a replacement cost basis.

Deductible – Unless state law allows a higher deductible or requires a lower deductible, hazard and wind loss deductibles up to 5% of the face amount of the insurance policy are acceptable for all property types.

Carrier – The policy must be underwritten by an insurer who is currently rated as one of the following:

- B/III, A/II, or better in Best's Insurance Reports
- A or better by DEMOTECH, Inc.
- BBB or better by Standard & Poor's

The insurer must also be licensed or authorized by law to conduct business in the jurisdiction where the mortgage premise is located. A current hazard insurance policy or binder must be in every file. The policy/binder must reference the property address and match the closed loan file. The borrower(s) must be listed as the insured.

The hazard insurance policy or insurance binder (if required by state law) and a paid receipt will be accepted provided that the policy term is for twelve (12) months. A handwritten "paid" or a stamped "paid" on the certificate is not acceptable proof of payment. Provide email, fax, letter from agent or an actual paid receipt. If the property is a refinance, an existing policy may be used, provided more than 90 days remain until the expiration date. If the policy will expire within the 90 days of the close date, the premium for renewal must be collected and paid at closing. The premium must be shown on the declaration page. The annual premium divided by 12 must be equal to the monthly amount on the closing disclosure. A paid receipt is required on all purchase transactions. If the premium is paid at closing it must be reflected as such on the closing disclosure. The mortgagee clause of each insurance policy must be properly endorsed & necessary notices of transfer must be given to all borrowers.

Flood Insurance

A current flood insurance policy, or an application with a one year paid receipt is required on all loans if the property is located in zones "A" or "V" per the flood certification. The effective date must be on or before the closing date.

If the property is a refinance, an existing policy may be used provided more than 90 days remain until the expiration date. If the policy will expire within 90 days of the closing date, the premium for renewal must be collected and paid at closing.

The coverage amount must be reflected on the policy. Building coverage for one-to-four unit properties must be maintained in an amount equal to the least of the following:

- 100% of the replacement cost of the dwelling
- Maximum insurance available from the NFIP or
- Unpaid principal balance of the mortgage

If the insurance agent cannot issue flood insurance for at least the loan amount, a written statement from the insurance company that this is the maximum coverage they will allow on the property is acceptable. When using the replacement cost option listed above, do not include other structures or replacement cost additions. The Site Value must be used (appraised value is not acceptable).

Unless state law allows for a higher deductible, flood insurance deductibles of up to the current NFIP policy maximums are acceptable (\$5,000 for 1-4 units and \$25,000 for condominium and PUD units).

Private flood insurance is acceptable for loans in the Coastal Barrier Resources System (CBRS) or Otherwise Protected Area (OPA), as defined by the Coastal Barrier Resources Act. These zones in flood hazard areas are

ineligible for Federal Flood Insurance. Deductible amounts for private flood insurance policies must be no greater than current NFIP maximums based on the property type.

The policy/binder must reflect the borrower(s) name and property address exactly as they are shown on all the closing documents. The annual premium amount divided by 12 must be equal to the monthly amount collected on the closing disclosure.

Condominium Insurance

Prior to the sale of a loan to Wintrust Mortgage secured by a unit in a condominium, written evidence must be obtained to ensure that the scope and amount of insurance coverage meets or exceeds all local laws, ordinances and regulations covering condominiums and that, in addition, the following minimum requirements for the insurance coverage are satisfied:

- A multi-peril type of policy covering the entire condominium project is required. This policy must provide, at a minimum, fire and extended coverage and all other coverage in the kinds and amounts commonly required by the agencies for projects similar in construction, location, and use. Coverage must be on a replacement cost basis for at least 100% of the insurable value based on replacement cost
- The name of the insured stated under each required policy must be similar in form, and
- substance to the following:
 - Association of Owners of the (name of condominium)
 - For use and benefit of the individual owners (designated by name, if required)

Each policy must contain the standard mortgagee clause endorsed to provide that any proceeds will be paid to the Association of Owners of the (name of condominium) for the use and benefit of mortgagees as their interest may appear, or otherwise endorsed to fully protect the interest of Wintrust Mortgage. Condominiums require \$1 Million dollars liability insurance.

Fidelity Insurance

The Homeowners Association must have fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Homeowners Association. The fidelity bond or insurance must name the Homeowners Association as the insured. Condominium projects with 20 units or fewer are not required to have Fidelity Insurance.

- New Construction Condos: Coverage must equal the maximum amount of funds held by the HOA at any one time and total at least three months of assessments on the entire project plus reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation must be added if the policy would not otherwise cover volunteers
- New Conversion Condos: Coverage must equal the maximum amount of funds held by the HOA at any one time and total at least three months of assessments on the entire project plus reserves. An appropriate

endorsement to the policy to cover any persons who serve without compensation must be added if the policy would not otherwise cover volunteers

- Existing Condos, Limited Review and Small Projects: Proof of fidelity insurance is not required

Public Liability Insurance

The HOA must have a comprehensive policy of public liability insurance, covering all of the common elements, commercial spaces, and public ways in the condominium project. The insurance policy must contain a “severability of interest” endorsement, precluding the insurer from denying the claim of a condominium unit owner because of negligent acts of the HOA or other unit owners. Coverage must also include all other coverage’s in the kinds and amounts required by the agencies for projects similar in construction, location, and uses. Liability coverage must be for at least \$1 million per occurrence for personal injury and/or property damage.

PUD Insurance

In lieu of maintaining an individual hazard insurance policy on each PUD unit, the PUD Corporation, HOA, or trust may maintain blanket hazard insurance, providing, at a minimum, fire and extended coverage and all other coverage in the kinds and amounts commonly required by the agencies for developments similar in construction, location, and use. The coverage must be in an amount equal to the full replacement value of all of the PUD units without deductions for depreciation or coinsurance, including the structural portions and fixtures owned by the PUD unit owners. Insurance premiums from any blanket insurance coverage must be a common expense of the PUD Corporation, HOA, or trust and must be included in the regular common assessments of the PUD unit owners. The coverage must name the PUD Corporation, HOA, or trust as the insured for the benefit of the PUD unit owners.

Common Property Coverage

The PUD Corporation, HOA, or trust must have fire and extended coverage for at least 100% of the replacement cost of the insurable PUD common property. The insurance must name the PUD Corporation, HOA, or trust as the insured for the benefit of the PUD unit owners. No mortgagee clause in favor of the PUD unit mortgagees is required by Wintrust Mortgage on insurance covering common property.

Mortgage Insurance

If primary mortgage insurance is required by the loan program, Correspondent must obtain a mortgage insurance commitment certificate from an approved contract underwriter acceptable by Wintrust Mortgage (Radian, UG, MGIC, National MI, Essent, Arch or Genworth). The private mortgage insurance coverage must transfer to Correspondent and its successors and assigns and protect the interest of Wintrust Mortgage.

An escrow / impound account must be established at closing for monthly payment of future premiums, unless a single premium was paid in full at closing or unless Correspondent obtained lender-paid mortgage insurance. Wintrust Mortgage accepts mortgage insurance premiums to be paid on a monthly or annual basis. The name of insured and property address must match all closing documents in the file.

Flood Certification

Each loan delivered for purchase must include the FEMA Standard Flood Hazard Determination form for use in determining whether a building is located within an identified “Special Flood Hazard Area” (SFHA). Wintrust Mortgage recommends that Correspondents order their flood certifications from LPS Flood.

Title Insurance

Loans purchased by Wintrust Mortgage must be covered by a mortgagee title insurance policy or other approved form of title evidence which has been paid in full, is valid and binding, and remains in full force and effect. Title insurance must comply with the following requirements:

- The amount of coverage must be at least equal to the loan amount
- All title commitments and/or policies must be issued by an approved American Land Title Association (ALTA) insurance company. Prior to any loan disbursement by the Correspondent, a marked-up title binder for an ALTA title policy indicating Correspondents proposed lien position is required. If proof of satisfaction/release is a condition for eliminating any liens on the title, copies of these documents must be retained with the title work
- All judgments and liens must be paid off, subordinated, or insured over
- Real estate taxes must reflect, “not yet due and payable”. On Condominium and PUD units, taxes can only be assessable against the subject unit and its undivided interest in the common areas and not the project as a whole
- On purchase transactions, the home seller must be the owner of record

The title insurance policy must be issued by a title insurer who is acceptable to FNMA & FHLMC, and who is qualified to do business in the state where the mortgage premises is located. The title insurance policy must be written on the current standard form required by ALTA or other form currently acceptable by FNMA or FHLMC.

The protection and benefits from the title insurance policy must insure the lender and the mortgagee of the loan, including all successors and assigns. Where MERS is the original mortgagee, the title insurance policy must insure the lender, including all successors and assigns, and additionally name MERS as an insured.

The effective date of the policy must be no earlier than the date on which the Security Instrument was recorded. The policy must insure that the Security Instrument creates a valid first or second lien on the mortgaged premises. The policy must list any lien for secondary financing and state that the lien is subordinate to the lien of the Security Instrument.

Wintrust Mortgage encourages the use of “Short Form Policies”. Short form policies provide the same amount of coverage as a standard policy but in a shorter format. A title commitment is also required. The title commitment/binder cannot be older than six months (a date down should be performed at closing). The title commitment/binder must reflect the borrower(s) name and be consistent with all other closing documents in file. The legal description in the title commitment/binder/policy must match the survey/plat.

Required Endorsements

If applicable, each title insurance policy must contain the following endorsements or provide equivalent affirmative coverage: ALTA Endorsement Form 8.0 & Environmental Protection Lien Endorsement. ALTA form 8.0 must be included with the 1987 ALTA form of title insurance policy. ALTA form 8.1 must be included with the 1970 ALTA form of title insurance policy.

- ALTA Endorsement Form 4: Condominium Endorsement is required for all loans secured by a condominium unit.
- ALTA Endorsement Form 5: PUD Endorsement is required for all loans secured by a PUD unit.
- ALTA Endorsement Form 6.0 or 6.1: Variable Rate Mortgage Endorsement is required for all ARM loans.
- CLTA Endorsement Form 100 & Form 116: Comprehensive Endorsement and a Location Endorsement are required for all loans in areas where surveys are not customary.

Plat of Survey or Improvement Survey

A survey/plat should be included in each loan file. In lieu of a survey, Wintrust Mortgage will accept a Location Note Endorsement. The survey cannot be older than 120 days and must be prepared by a registered public surveyor with seal and certification affixed. The survey must reflect a legal description that is the same as the title commitment/binder and consistent throughout the closing package. All easements, encroachments and/or set back lines must be five years old or greater. If less than five years of age, a waiver is required from the proper authority and must be included in the loan file (city/county/municipality).

Servicing Information

All Assignments and Insurance Information must reflect the following address:

Wintrust Mortgage
9701 W. Higgins Road, Suite 400
Rosemont, IL 60018
Servicing Phone #: 800-999-2649

Mortgagee Clause

Wintrust Mortgage, a division of Barrington Bank & Trust Company, N.A., its successors and/or its assigns – 9701 W. Higgins Road, Suite 400 Rosemont, IL 60018.

XI. Loan Purchase Fees

This section outlines the various components of our disbursement process and how Wintrust Mortgage arrives at the net amount to be paid to the Correspondent.

Amount Due to the Correspondent

The amount due to the Correspondent at purchase is based on the following formula:

Principal Balance of the Loan
(+/-) Interest Adjustment
(+/-) Base Price Premium/Discount Amount
(-) Escrow
(-) Fees
(-) Buy down funds

Wintrust Mortgage will assess the following fees (net funded at the time of purchase):

Delegated Correspondent Fees

Administration Fee (all loans): \$405
Assignment Fee (if not on MERS): Actual fee charged by county

Non-Delegated Correspondent Fees

Administration Fee (all loans): \$560
Assignment Fee (if not on MERS): Actual fee charged by county

Disbursing of Funds

On the date of purchase the primary contact of the loan file will receive an email trigger to inform them the loan has been purchased. The purchase advice will be available for viewing via the TPO Connect Client Portal.

Funds are wired to the client via the Wire Transfer Instructions provided in the loan package.

Purchase Options:

If Wintrust purchases the loan in the same month as it disbursed, Wintrust gets the first payment from the borrower.

Wintrust Mortgage gets the first payment if we purchase the loan in the same month when it disbursed, there is an interest credit and we purchased between the 1st and the 15th.

Correspondent gets the first payment if we purchase the loan in the same month when it disbursed, there is an interest credit, and we purchased between the 16th and the 31st.

Correspondent gets the first payment if the loan disburses in any month prior to the purchase month, and there is an interest credit.

Wintrust gets the first payment if the loan disburses in the month prior to the purchase month, and we purchase it between the 1st and 15th.

Correspondent gets the first payment if the loan disburses in the month prior to the purchase month, and we purchase between the 16th and 31st.

XII. Post-Closing

Insuring

All FHA/VA/USDA loans must be submitted to the respective agencies for insuring within 30 days of the loan closing.

If an FHA loan is submitted or re-submitted (received an NOR) after 60 days, HUD requires the Lender to provide a "Late-Letter" and a "Payment History" before an MIC will be issued. If a VA loan is submitted or re-submitted (received and LGC suspension) after 60 days, VA requires the Lender provide a "Late Letter" before an LGC will be issued. If the Correspondent needs to obtain a pay history from Wintrust Mortgage, a fee of \$25 will be charged. Wintrust Mortgage will monitor the submission of loans to FHA, VA, & USDA by Correspondent. If a file has not been submitted within 30 days from the closing date, Wintrust Mortgage will contact the Correspondent for status.

All MIC's, LGC's, and LNG's are due in our office within 60 days of the closing date – no exceptions.

Wintrust Mortgage will not purchase any FHA loan that the MIP has not yet been remitted to HUD. On an FHA loan, the Mortgage Insurance Premium (MIP) is required to be paid by the lender prior to the purchase of the loan. On a VA loan, the VA Funding Fee (VAFF) is required to be paid by the lender prior to the purchase of the loan. Wintrust Mortgage will not remit these funds on behalf of the lender.

Wintrust Mortgage will not purchase any FHA, VA, or USDA loan that is not yet insured, and is older than 30 days from the closing date.

FHA loans – Correspondents are required to check FHA Connection regularly to identify those loans that have been submitted for insuring to see if HUD has insured the loan. If they have, the Correspondent should print the MIC at that time and forward to Wintrust Mortgage.

When Wintrust Mortgage submits a loan for insuring, Wintrust Mortgage will monitor the progress. If an NOR is issued or loan is suspended, Wintrust Mortgage will contact the Correspondent for assistance.

Correspondents must go into FHA Connection – servicing and transfer their cases to Wintrust Mortgage via HUD Form 92080. This procedure MUST be done within 15 days from the date Wintrust Mortgage purchases the loan. Wintrust Mortgage recommends that customers do this on the same day the MIC is printed. Wintrust Mortgage's HUD ID number that you will need for the transfer is #139090000-0.

All MIC/LGC/LNG's should be uploaded through the TPO Connect Client Portal, or emailed to correspondent@wintrustmortgage.com.

All final documents pertaining to an individual loan must be delivered in one submission to Wintrust Mortgage within 90 days of the closing/disbursement date. The Final Document Transmittal form is located on our website and must be used when submitting all final documents to Wintrust Mortgage.

Final documents include, as applicable, the following items:

- Original recorded Security Instrument, including all applicable Riders
- Original, recorded Assignment of Security Instrument
- Mortgagee Policy of Title Insurance

Wintrust Mortgage reserves the right to require a customer to furnish any additional documents necessary from time to time. Wintrust Mortgage may require repurchase of those loans that do not meet the 90-day document delivery requirement.

A penalty of \$50.00 per document per month will be charged for any loan where the final documents have not been received within 180 days from the closing date. Wintrust Mortgage shall have the right to offset or deduct from a future loan funding any outstanding fees due if not paid to Wintrust Mortgage by the given due date.

All final documents should be sent to:

Wintrust Mortgage
Attn: Final Documents
9700 W. Higgins Road, Suite 300
Rosemont, IL 60018