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GENERAL DELIVERY POLICY

This policy ensures that all Correspondents are informed of all requirements and timeframes necessary to facilitate the purchase of closed mortgage loans delivered.

On the Delivery Date, New Penn must receive the complete, true and accurate closed Mortgage Loan file from the Correspondent including the Correspondent Loan Delivery Checklist no later than the Lock Expiration Date reflected on the Lock Confirmation Form. The closed Mortgage Loan file along with supporting documentation must be uploaded through the New Penn web portal via login at www.gonewpenn.com. The web portal is a single place for registering, locking, submitting, uploading conditions, delivering and monitoring the Correspondent pipeline for loans delivered to New Penn for underwriting and purchase.

Delivery and Purchase Review Requirements

The Delivery Date should occur immediately after closing, but no later than the Lock Expiration Date. At delivery, the closed loan package must contain all documents listed in the Legal Package Contents section of this policy as well as any outstanding items listed on the Loan Delivery Letter or otherwise required according to the requirements set forth in the Seller Guide.

Loans must be in complete and in purchasable condition by the Purchase by Date which is the later of either Lock Expiration Date or the Delivery Date plus five calendar days or will be subject to relock and/or extension. See Lock Policy and Procedures for additional Lock Expiration and Purchase by Date details.

Correspondent sellers must also provide originals of all documents required for the Collateral package to New Penn's designee via insured courier or overnight mail (for tracking purposes) no later than 48 hours prior to purchase or Purchase by Date, whichever occurs first.

New Penn Financial Fees

- Non-Delegated UW Fee:
 - FHA/VA - \$650
 - Portfolio - \$650
- Tax Contract: \$47.00 for a tax contract with a UPB from 0-\$499k, for every additional \$100,000 in UPB, \$10.00 is added to the fee.
 - For example, \$500 - \$599k UPB would be \$57.00.
- Flood Contract - \$6 per loan



Loan Documentation and Closing Requirements

Standard closing documents to meet secondary market requirements must be used by the Seller when delivering loans for purchase by New Penn. The most current state specific Security Instrument should be used with all appropriate riders, as referenced on the last page of the instrument along with the most current multi-state or state specific note.

Sellers must use mortgage documents for conventional and government loan products that are correct for the specific state and/or local jurisdiction, lien type and property type. The most current version of all appropriate forms should be used. It is recommended that forms and documents are reviewed by Seller's legal counsel for compliance with all applicable laws.

- Government and Shellpoint loans must have per diem calculated using 360 days unless otherwise provided by state law or usury provision(s) for the state
- Correspondent must use the Correspondent's loan number on all closing documentation

Correspondents must prepare their closing documents using vendors/attorneys as approved with NPF. The approved attorney firms and document vendors which have New Penn set up as an investor include the following companies:

- DocuTech Corp.
- Doc Magic
- Peirson Patterson
- Ellie Mae

Please refer to the New Penn Matrix of Correspondent Product Terms located on www.gonewpenn.com for details on terms and closing document data requirements. All closing documents must accurately reflect the terms outlined in this Matrix or will be subject to correction and New Penn reserves the right to decline to purchase any loan with an error that cannot be remediated. Acceptable remediation is determined at New Penn's discretion.

Note

- An original Note is always required.
- New Penn does not accept lost note affidavits.
- An original Note with white-out will not be accepted, and the borrower must initial any cross outs on Note.
- Closing date needs to match closing date on the Security Instrument.
- The Note must have a lender name completed.
- If the loan is in the name of at trust, a Inter Vivos Revocable Trust addendum must be attached to the Note
- First payment on Note must be the first of the month



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- If first payment date to New Penn is two or more payments from 1st payment due date on Note a pay history is required.
- Note form must be correct according to the product & state. If the form is incorrect, a new Note is required.
 - Refer to <http://www.efanniemae.com/> for state and product specific Note forms.
- If loan is a FHA Loan, case number is required to be on the Note.
- Notes aged more than 45 days from Note Date are not eligible for purchase

Corrective Note

When a revised original Note needs to be signed by the borrower, New Penn will not accept Notes marked as 'duplicate original', 'corrected copy', 'replacement note' or similar, even if there is an original signature, or if the words 'duplicate original', 'corrected copy', or 'replacement note' are crossed through with or without initials.

Allonges/Endorsements to the Note

- Must have complete endorsement chain ending with New Penn.
- Correspondent name on the face of the note must be the exact name of the Correspondent in the endorsement language.
- DBA's - Whenever the lender's name on the Note does not match the lender's name on the endorsement exactly New Penn will accept a Corporate Name Trade Certification to purchase the loan.
- Officer's name and title must be typed under signature line of Allonge/Endorsement.

Mortgage/Deed of Trust

When, and to the extent, allowed by applicable law, the Mortgage contains an enforceable provision for acceleration of the Loan's unpaid principal balance in the event that the Mortgagor sells or transfers the Mortgaged Property without the Mortgagee's prior written consent. The Mortgage/Deed must contain the MIN.

Closing Protection Letter

The Correspondent obtains insured closing protection letters (CPL) for all closings. Insured closing letters offer financial protection in the form of a claim to the title insurer in the event loan proceeds, or borrower funds collected at closing, are misappropriated and not disbursed according to the closing instructions. The letter must reference the borrower's name, property address, and loan number of the transaction.

Affiliates

- NPF will not purchase loans closed with ABA Settlement Providers unless NPF has approved the use of the ABA at the Client Level. This approval must occur prior to submitting any loans to NPF that include the use of an affiliated provider.



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- If a Title/Settlement ABA has been approved and is used by the lender, NPF will include applicable closing costs and settlement fees in the QM points and fees test. NPF will also require an ABA Disclosure signed by the borrower(s).
- NPF requires an *ABA Attestation* signed by the Correspondent be submitted along with the closing document package on each mortgage loan prior to purchase. (Posted on www.gonewpenn.com Client Library.)

Impounds

Correspondent is responsible for collecting and dispersing all applicable taxes and insurance amounts at closing. Each loan must contain a Tax Information Sheet detailing all taxes, collected, disbursed and due within 60 days of proposed purchase date.

Government Upfront Mortgage Insurance Premium or VA Funding Fee

Correspondent is responsible for collecting all applicable Government insurance premiums or fees at closing. New Penn will pay any unpaid FHA UFMIP as well as VA Funding Fees and amounts will be netted through the Purchase Advice. If Correspondent has paid the VA Funding Fee or FHA UFMIP prior to the time that the loan is purchased, evidence of the payment must be provided to New Penn prior to the issuance of the Purchase Advice. In order to ensure timely payment, Correspondent must transfer the FHA case to New Penn within 24 hours of purchase approval, as evidenced by delivery of the Purchase Advice.

In order for New Penn to remit timely and accurate amounts, the loan must be delivered and in purchasable condition prior to the timeline under which HUD or VA will assess a late fee for delinquent payment of UFMIP or Funding Fees, respectively. Pursuant to Government requirements, New Penn must remit the VA funding fee electronically within 15 calendar days (not business days) of loan closing. The FHA UFMIP must be remitted within 10 business days of loan closing. If not submitted within the required timeline, a late fee of 4% of the fee or premium will be assessed. New Penn will collect the late fee amount through the Purchase Advice if the loan is not able to be purchased at least 3 days prior to the expiration of the grace period. NOTE: If submitted more than 30 days late, New Penn will pass through the Purchase Advice any additional fee or penalty assessed.

Legal Package Contents

Each mortgage loan package delivered for purchase to NPF must include all documents listed below and on the New Penn Loan Delivery Checklist. The Loan Delivery Checklist can be found on www.gonewpenn.com. This includes, but is not limited to the following:

- Certified copy of the Mortgage/Deed along with any applicable riders
 - MIN must be present on the Note and the Security Instrument
- Certified copy of the Note along with any applicable addendums, endorsement to New Penn Financial, LLC or Allonge



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- If loan closed in a trust, an Inter Vivos Revocable Trust addendum is required to be attached to the Note
- All Trust documentation must meet New Penn requirements per the Trust Policy posted on www.gonewpenn.com in the Client Library, Policies and Procedures section.
- Certified copy of Power of Attorney (if applicable)
- Copy of Bailee (or Seller Release) sent to New Penn custodian
- Loan Level Affiliate Certification – form detailing any affiliates who received fees for services or products related to the mortgage loan either through or outside of closing
- Closing Protection Letter
- AIR Disclosure
- All Invoices – Appraisal; 1004D; Credit; HOA Certificate; Termite; etc...
- Copy of Check or Wire for Funds to Close (must be obtained from a verified source)
- Copy of Security Instrument (Deed of Trust/Mortgage) along with all appropriate Riders
- Escrow Account Disclosure
- Final, signed 1003
- Final Signed 4506T – for execution by New Penn
- First Payment Letter
- Hazard Insurance Binder or Policy (as applicable) including New Penn Mortgagee Clause
- Flood Insurance (if applicable) including New Penn Mortgagee Clause
- Lenders Instructions
- Lender QM Points and Fees Test including all applicable Compliance tests with passing results
- Notice of Right to Cancel (if applicable)
- Property Inspection Waiver (if applicable)
- Tax Information Sheet – detailing all taxes, collected, disbursed and due within 60 days of proposed purchase date
- Verbal Verification of Employment for all borrowers:
 - Must be current within 10 days of closing for W-2 employee and 30 days for Self Employed
 - Internet or other third party source of verification of employer phone number (much match VOE form)
- W-9 for all borrowers
- Correspondent Wire Instructions and Wire Authorization
- FHA Loans
 - Appraised Value Disclosure (purchase transactions only)
 - Assumption Notice
 - Settlement Certification (purchase transactions only)
 - Upfront MIP Fee paid by Correspondent – Provide evidence of payment of UFMIP
 - All Additional Signed Disclosures



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- VA Loans
 - Breakdown of the Seller/Broker Credits on Addendum, as required by VA
 - Escape Clause
 - Final/Signed 1802-A
 - Termite Inspection, to be signed and dated by the borrower
 - VA Funding fee paid by Correspondent – evidence of payment must be provided
 - Additional signed disclosures
- TRID Compliance Requirements
 - Documentation evidencing delivery dates and eSignature dates (if applicable) of all disclosure events covering the life of the loan
 - All versions of the Loan Estimate (LE) and corresponding Changes of Circumstance forms
 - E-Sign Certificate, if the Initial Loan Estimate (LE) and Closing Disclosure (CD) were E-Signed by the Borrower(s)
 - Consent to Receive Electronic Communication, if applicable
 - Final/Signed Closing Disclosure (CD)
 - Initial/Signed Closing Disclosure (CD)
 - All versions of re-disclosed CD including the correspondent Change of Circumstance forms
 - Signature Name Affidavit for all borrowers

Collateral Delivery

In order to avoid any delay in the purchase of mortgage loans, Correspondent must deliver the original collateral file to NPF's custodian, Wells Fargo within 24 hours of funding for review under either Bailee or Release Letter at the address below:

Wells Fargo Bank, N.A
Attn: Shellpoint Correspondent Funding
New Penn Financial
751 Kasota Ave.
Minneapolis, MN 55414

- Collateral file must contain, at minimum:
 - Bailee Letter or Seller Release with wire instructions and loan manifest
 - Original Note, including any applicable addendums – endorsed to New Penn Financial, LLC or include Allonge
 - Certified copy of the Mortgage/Deed of Trust including the legal description and all applicable riders
 - Certified Copy of Power of Attorney (if applicable)
 - Trust – if loan closed in a trust, the Note must have an Inter Vivos Revocable Trust addendum
 - Copy of the Preliminary Title/Title Commitment
- Bailee or Seller Release must contain, at minimum, the following information
 - Wire Instructions
 - Borrower Name



- Loan Number
- Loan Amount
- Refer to the Correspondent Collateral Delivery Checklist and ensure that the tracking number for the delivery of collateral to Wells Fargo is included on the Correspondent Loan Delivery Checklist

Pre-Purchase Review and Process

Upon receipt of a closing package, an NPF pre-purchase auditor will review the loan file.

Within 1-2 business days the Client Post Closing contact will receive an updated Loan Decision Letter outlining pre-purchase conditions, or an update from the auditor advising that the loan is to be reviewed by the underwriter. Review by the underwriter at time of purchase is typically due to a loan that closed under terms different than those approved at time of CTC.

Pre-Purchase deficiencies will be visible in the Conditions Screen in the Portal and on the updated Loan Decision Letter.

Lender Cures

If, after closing and or funding of the mortgage loan by the Correspondent, a cure due to the borrower is required due to a violation of either tolerance, APR, finance charge, per diem interest or otherwise, Correspondent must provide evidence that funds due to borrower were dispersed, a copy of the cover letter, a copy of curative CD and evidence of delivery to NPF within 48 hours.

Purchase Advice Calculations

Principal Balance Purchase Calculations

1. Purchased on or before the 14th day of the month prior to the First Payment Due Date
 - a. Purchased at principle balance on the Note
 - b. First Payment will be due and payable to New Penn Financial
2. Purchased on or after 15th of the month prior to the First Payment Due Date
 - a. Purchased at a reduced balance to be reconciled through the Purchase Advice
 - b. Lender will receive first payment due
 - c. New Penn will receive the second payment

Interest Calculations

Interest will be calculated at 360 days on FHA, VA and Shellpoint products when calculating interest credit or debits on the Purchase Advice for the purpose of the total wire for purchase.

If the Correspondent funds and disperses on a loan with an interest credit then NPF will require a hardship letter to be signed by the borrower prior to purchase.



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- This is a letter whereby the borrower acknowledges that the first payment is due within one month of the loan disbursement, and confirms that this creates no financial hardship.
- Interest credits should not exceed 5 days of interest.

Purchase Price Calculations

The total amount due to the Correspondent for the purchase of loans delivered to New Penn, “Purchase Price” shall generally be an amount as of the Settlement Date that is equal to the sum of the following:

- The Unpaid Principal Balance of the Note (Note Balance less any principal due to the Correspondent or applied principal reductions); and
- All interest accrued (up to but not including the Settlement Date) but unpaid on the Notes (prorated on a 30-day month, 360-day year); and
- Any premiums due the Seller, if applicable, in accordance with the Purchase Advice or any Purchase Advice; less
- Any discount due the Buyer in accordance with the Purchase Advice or any Purchase Advice; less
- All fees for recordation of assignments; less
- Any amounts collected for the borrower tax and insurance escrow account

Servicing Transfer

Correspondent must deliver to each borrower a RESPA compliance, Notice of Sale/Servicing Transfer Letter – the “Goodbye Letter” should reference the following servicer and address:

Servicer Contact Information:

Shellpoint Mortgage Servicing
P.O. Box 10826
Greenville, SC 29603-0826

General Payment Address

New Penn FIN – Shellpoint Mtg
PO Box 740039
Cincinnati, OH 45274-0039

Preferred NPF Customer Service

Number: 1-800-365-7107

Customer Service Hours

Monday – Friday 8 PM – 10 PM EST
Saturday 8 AM – 3 PM EST
Closed Sundays

A copy of the Goodbye Letter for each mortgage loan must be provided to NPF within 5 days of purchase.



Mortgagee Clause Transfer – Homeowner’s Insurance and Flood Insurance

Prior to purchase, Correspondent must deliver evidence that the mortgagee clause for both Homeowner’s and Flood Insurance (if applicable) has been updated to the following:

Shellpoint Mortgage Servicing ISAOA/ATIMA
P.O. Box 7050
Troy, MI 48007-7050

Decline to Purchase

At its sole discretion, New Penn may decline to purchase any loan that does not meet the terms of Clear to Close, Delivery, Underwriting or any applicable requirement contained in the Guide, Government guidelines or any other regulatory agency and/or jurisdiction.

Post Purchase Requirements

Final Documents

The original or certified copy of the recorded Mortgage/Deed of Trust, Final Title Policy and certified copy of the Power of Attorney (if applicable) must be delivered to NPF within 120 days of the Note Date to the address below:

Attn: Correspondent Document Processing
P.O. Box 240120
Milwaukee, WI 53224

Correspondent will be charged \$100 per document not delivered within 120 days of the Note Date.

MERS Transfer

Correspondent must be, at minimum, a MERS Lite member and shall provide evidence of MERS registration of each mortgage loan prior to purchase by NPF.

Within five days of purchase by NPF, Correspondent must assign New Penn Financial as the Investor and Servicer in MERS.

- MERS ID 1007544 – New Penn Financial as Investor
- MERS ID 1007544 – New Penn Financial as Servicer

Government Insuring

All Government loans will be insured by New Penn Financial in its name. An FHA loan for which the Mortgage Insurance Certificate (MIC) or VA loan for which the Loan Guaranty Certificate (LGC) cannot be obtained within 60 days will be subject to repurchase by the Correspondent at the Repurchase Price. Seller must transfer the FHA case to New Penn within 24 of purchase.



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Flood Certificates

New Penn Financial will order a Flood Certification with Life of Loan coverage on each Mortgage Loan at a cost of \$6 that will be netted from the Seller proceeds on the Purchase Advice.

Tax Certificates

Post-purchase, New Penn will purchase a tax certificate on each loan at a cost described in the NPF Fees section above. Calculated cost of the Tax Contract will be netted through the Purchase Advice.