



QC Verify, LLC (QCV)
The Mortgage QC and Auditing Technology Solutions Company
A Certified Veteran Owned Business

Standard Services Agreement
Prepared by Claudia Duncan, President

Prepared for: Tidemark Federal Credit Union

Attn: Bonnie Farris

Quality Assurance Standard Agreement between:

Vendor	Client
QC Verify, LLC (QCV)	Tidemark Federal Credit Union
7000 Executive Center Dr. Ste 300	1941 Bridgeville Hwy
Brentwood, TN 37027	Seaford, DE 19973
Tax ID: 62-1765268	
www.qcverify.com	
615-591-2528	302-629-0100

A. Purpose of agreement:

The purpose of this agreement is to disclose the terms of the business relationship between QCV as the Vendor and Tidemark Federal Credit Union as the Client.

B. Scope of Work:

This agreement discloses the general terms and conditions that govern the work to be performed under this agreement, as well as the working relationship between both parties. Also see the scope of work for a detailed overview of the services entered into as a part of this agreement.

C. Contract and Terms

1. Tidemark Federal Credit Union hereby referred to as "Client," agrees to appoint QC Verify, LLC ("QCV") as its Quality Assurance Vendor.
2. This agreement is prepared on the 6th day of September, 2024 and will become effective for a period of two year(s) commencing on the date of its execution.
3. Upon the date of commencement, the Client appoints QCV as its Quality Control Vendor designated to perform services as described within the scope of the Quality Assurance Standard Agreement and any applicable addendum(s).
4. At the end of the two-year(s) period, QCV will send the Client a renewal agreement or extension for review and execution. At time of renewal, existing services will remain in effect during a reasonable period of negotiation.
5. Either party may renegotiate or cancel the agreement by providing written notice to the other party at least 90 days prior to the effective date of the change.
6. The Client and QCV anticipate that the first review will apply to the Client's loan production for the month of October 2024.

Client Contacts:

Information	Primary Contact	Accounting Contact
Name	Bonnie Farris	Chris Dickman
Title	Director Loan Operations	CFO
Email	bfarris@tidemarkfcu.org	accountinggroup@tidemarkfcu.org
Phone	302-629-0100 ext 131	302-629-0100 ext

Client Type / Check all that apply.

- ☐ Non-Delegated
☐ Non-Delegated Depository
☐ Delegated
☒ Delegated Depository
☐ Servicer
☐ Public Agency
☐ State Authorities
☐ Government Administration
☐ Vendor
☐ Other

Check all that apply and provide seller/servicer number.

- ☐ Fannie Mae _____
☐ Freddie Mac _____
☐ FHA _____
☐ VA _____
☐ USDA _____
☐ Portfolio _____

QCV will perform services for the client:

- ☒ Monthly
☐ Quarterly

QCV Available Services. Please check boxes for audit selection and review.

QCV performs QC for Post-Closing, Pre-Funding, Early Payment Default, Denials, Servicing, HMDA, Anti-money Laundering and MERS® loan audits. In addition to audits, QCV is the owner of proprietary auditing technology, MARS (Mortgage Analyst Review Software) an intuitive and comprehensive QC software. MARS is the platform QCV uses to communicate with its clients, facilitating interaction and report views, as well as the ability to manage rebuttals.

All products and services are provided within the descriptions, covenants, amendments, addendum and exhibits that are made a part of this agreement. The Client shall indicate below the services agreed upon:

- 1) ☐ **Qualified Mortgages (QM) Audits** – QCV audits qualified mortgages according to the agency or government guidelines. If the Client, or an investor, has additional overlays, these guidelines can be provided to QC Verify, LLC for use during the audit. The Client will be asked how findings that are within agency guidelines, but outside of overlays, should be rated on the QCV severity scale, i.e., moderate or significant.
- 2) ☐ **Non-QM Loan Audits** – For non-QM products, QCV will require the alternative mortgage lending program guidelines from the Client. These guidelines are made available to the auditor for review during the audit of that Client's loans. Unless otherwise advised, defects that are in violation of these guidelines are reported as a significant defect.
- 3) ☒ **QCV Post-Closing QC Audits** – Post-closing QC audits include a thorough and comprehensive review of submitted loan documents according to Fannie Mae, Freddie Mac, FHA, VA, and USDA respective guidelines for Quality Control. QCV's turn time for post-closing audits is 4-6 weeks beginning from the moment the files are received. The QCV processing team then extracts verifications provided in the file to be reverified and identifies any missing documents in the loan file.

The documents that will be reviewed by the QC auditor are, but not limited to:

- Initial and final application
- Initial disclosure, both federal and state
- Credit report
- Documentation for any liabilities not disclosed in the credit report
- Verification of Employment, Income, Assets, Deposits, Rent, Occupancy, CPA letters and others as available in the loan file
- Verification of PITI for other owner properties
- Income documentation review
- Income calculation
- Asset documentation
- Mortgage insurance
- Hazard insurance
- Flood certificate
- Title commitment
- Appraisal report
- AUS
- Note
- Mortgage/Deed of Trust
- All Riders
- Closing Disclosure for borrower and/or seller
- All underwriting documents
- Other documents needed for a QC mortgage audit review

- ☒ **Processing Fee** - The Processing fee includes file indexing, missing document identification, data extraction and bundling of QC verifications. This is a Risk or Compliance Solutions requirement for the Vendor to organize the documentation, identify missing documents, request missing documents, extract data, and other coordination between the Client and Vendor for getting the audit started.
- 4) ☐ **Agency Verification Validation:** All agency loans require 1st and 2nd attempts to validate that the information is correct for accuracy and integrity during the loan approval process. The QCV team will follow up with every verifier for 1st and 2nd attempts to ensure responses to the verifications are received. Information is also documented to support the verification efforts.
- 5) ☐ **Pre-Purchase Due Diligence Mortgage Audit Review** - Mortgage Audit Review of a mortgage loan that is part of a portfolio of loans to be purchased under the respective investor's policies. Audit Review to be delivered within two business days (business hours) of order request. No verification of ancillary items is necessary for this review.
- 6) ☐ **Closing Due Diligence Audit Review** – Audit designed to validate the loan file prior to shipping by offering an extensive or customized review, per client requirements. In these efforts, QCV validates the quality and accuracy of mortgage loan packages prior to investor distribution. The qualified staff at QCV will ensure that the loan is accurate by reconciling mortgage documents and loan programs for completeness and compliance. The post-closing due diligence audit is vital to mortgage banks selling loans in the secondary markets. Documents in the loan file will be stacked according to the agency stacking order and uploaded to the client's ShareFile or portal of preference.
- 7) ☐ **ATQ (Audit the QC)** – ATQ is a MARS software functionality that allows the client to select a sample in order to audit the vendor. ATQ is designed to satisfy Fannie Mae SEL-2013-05 guidelines for third party oversight.
- 8) ☒ **QCV Pre-Funding QC Audits** – Pre-funding QC audits are designed to identify defects, or items in a loan that should be addressed before the loan goes to closing. QCV' standard pre-funding turn time is 12 hours. If the client must have the audit report completed prior to the 12 hours, the client can select to rush the order (6 hours \$40.00) or expedite the report (4-hour delivery \$80.00.) Once the report is completed, the client will receive an email via the MARS Portal to access the report.

The client can then engage with QCV to assess and address any findings in the report via the Management Response. QCV commits to assisting the client in cleaning the report and advising the client of any specific findings that could possibly be severe in the risk and quality of the loan.

The review can include, at the selection of the Client on a per-file basis via the Client Portal, specific review of the appraisal, sales contract and other property data, initial application, federal regulatory compliance, state regulatory compliance, and underwriting analysis. The Client will select which modules they wish to have reviewed on each file in the Portal ordering system, as well as identifying the requested turn time.

Pre-Funding Modules

- **Underwriting Analysis:** Initial loan application review, analysis of employment income, occupancy, non-employment income, credit report and liabilities, analysis of assets/reserves, AUS data integrity, and final underwriting reconciliation.
 - **Property Data:** Analysis of Sales Contract transaction, flood determination and insurance, hazard insurance, preliminary title commitment, project data, appraisal analysis of methodology, valuation data integrity, USPAP review, required inspections, and new construction requirements.
 - **Regulatory Compliance:** Review of initial loan application, ECOA compliance, federal high costs provisions, FRCA/FACTA Compliance and Red Flags, HOPA (Homeowners Protection Act), RESPA/TILA, state required disclosures and high-cost provisions.
- 9) ☒ **QCV Adverse/Denial Audits** – QCV recommends a random (minimum 10%) sample of a client's declined loan applications. These should be reviewed within 90 days of the end of the month in which a decision was made. The QCV audit review includes confirming that each rejection had a second review completed, that the requirements of the Equal Credit Opportunity Act are met and documented, and ensuring no civil rights were violated in the rejection. QCV also reviews the file for content and timing of the notice of action taken as required by Regulation B.
- 10) ☐ **Early Payment Defaults** – QCV completes a full review of early payment defaults in accordance with Fannie Mae, Freddie Mac, FHA, VA, USDA, and any investor requirements as applicable. Compliance with federal disclosures and timing is also reviewed. The EPD audit includes reverifications of all documents utilized in loan approval, as well as field reviews on all FHA EPDs as required by HUD guidelines. EPD loan level reports will also include indicators found that may have contributed to subsequent loan default.
- 11) ☐ **Federal Regulatory Reviews** – This audit review is tailored to meet federal regulatory guidelines and policies. Under this review the auditor focuses on areas of federal regulation that may be of particular concern to the Client, subject to Client request and criteria. Reverifications and ancillary items are not necessary for this review.

QCV can audit for inclusion of the following disclosures and/or documents, ensuring that the form was current as of the date of closing or required receipt, and signed or acknowledged if required:

- a. Credit Authorization Disclosure Audit
- b. Notice to Home Loan Applicant
- c. Acknowledgement of borrower's receipt of the Servicing Disclosure Statement
- d. Acknowledgement of the borrower's receipt of the Settlement Cost Booklet
- e. Notice to Applicant of Right to Receive Copy of Appraisal Report
- f. Affiliated Business Arrangement Disclosure
- g. Loan Disclosure
- h. Closing Disclosure
- i. Initial Escrow Statement
- j. Consumer Handbook on Adjustable-Rate Mortgage
- k. Notice of Right to Cancel
- l. Hazard Insurance
- m. Private Mortgage Insurance Disclosure
- n. Customer Identification Program/ Patriot Act Notice (not applicable for credit unions)
- o. For Your Protection: Get A Home Inspection
- p. Notice to Homeowner Assumption of FHA Mortgage
- q. Notice of Assignment, Sale or Transfer of Servicing Rights
- r. Flood Certification
- s. Title Insurance (Lender's Policy)
- t. Owner's Title Insurance Policy (Purchase only)
- u. Change of Circumstance
- v. Up-to-date list of counseling agencies within three days of application (HOEPA)
- w. QM Calculation Sheet or HOEPA Notice
- x. Field Review Appraisal selection and review
- y. Reverification of verifications as available in the file

- 12) ☐ **Anti-Money Laundering (AML) Audits** – This audit reviews the following business practices in terms of the Client's documented AML program and standard regulatory requirements, helping to ensure suspicious or criminal activity is reported and validate the strength off the program overall (pricing contingent upon scope of audit):
- a. Customers Who Provide Insufficient or Suspicious Information
 - b. Efforts to Avoid Reporting or Recordkeeping Requirement
 - c. Funds Transfers
 - d. Automated Clearing House Transactions
 - e. Activity Inconsistent with the Customer's Business
 - f. Lending Activity
 - g. Changes in Bank-to-Bank Transactions
 - h. Cross-Border Financial Institution Transactions
 - i. Bulk Currency Shipments
 - j. Trade Finance

- k. Privately Owned Automated Teller Machines
- l. Insurance
- m. Shell Company Activity
- n. Embassy and Foreign Consulate Accounts
- o. Employees
- p. Other Unusual or Suspicious Customer Activity

- 13) ☐ **Servicing Audits** – QCV offers its clients a basic line of servicing QC reviews as listed below.

Includes servicer boarding and compliance:

Our Boarding and Administrative Servicing Reviews are general reviews that adhere to GSE, HUD, CFPB, RESPA, Reg X and Reg Z compliance standards. We will select the industry standard of 10% of your loan portfolio for the audit sampling (This is 10% based on your yearly portfolio. Can be averaged to audit monthly or quarterly.) However, we can select a custom amount and perform audits based upon your specifications or investor requirements.

The Boarding Audit reviews the accuracy between the loan terms and information at origination in comparison to the loan information and terms captured in the Servicers system.

The Administration audit is to determine the risk to lender, either reputational or financial, and to determine next steps to reduce risk and liability to lender. And to determine if the Servicer is servicing the loan properly and in accordance with CFPB.

Servicing QC reviews. (Standard turn time, 4-6 weeks depending upon volume)

Servicer Boarding Review: Looks at the origination file for the first 120 days. (Optimum age for the audit is between 4 and 6 months.)

General Information - Servicing Transfers - Servicer Boarding - Loan Information - Title Policy - ARM Loans (Rate Adjustments) - Escrowed Loans – Hazard – Flood - Loans with PMI - Forced Placed Insurance.

Servicer Administrative Review: Looks at the origination file, pay history, and servicing notes/comments for the last 12, 24 or 36 months. Includes the most recent customer comments.

CFPB Compliance - Loss Mitigation Attempted - Modification - Repayment Plan (escrow Shortage) – Forbearance - Short Sale - DIL - Foreclosure - Bankruptcy - Active SCRA - Evidence of Litigation - Evidence of Fraud - Deceased Borrower - Damage - FEMA Disaster Area - MI Mentioned - Title Issue - Delinquent Taxes - Escrow Shortage - Property Listed - Property Under Contract - 3rd Party Realtor - REO - Eviction Requested - Coronavirus Mentioned – Homeowners Insurance.

Administrative Delinquency ADD-ON Audits: FNMA, FHLMC, FHA, USDA. A detailed agency specific audit checking the current CFPB guidelines and determining risk covering more than 200 questions. This audit covers: Race ECOA - Reg B Compliance - ESL - Vulnerable Populations - Covid-19 related hardship - Forbearance and Exits - Communication - Reg X - Dodd-Frank Act - Income Evaluation - Inquiry Handling - Preventing Foreclosures - Further Assistance - Foreclosure - Fair Credit Reporting Act - Servicer Responsibilities - Small Servicer Requirements/Exemptions - Force Placed Insurance - Reverse Mortgages - Extensions - State Guidelines - FHA/USDA/Conventional/VA Requirements.

Pull Forward Audits: Any previously audited file can be 'Pulled Forward', re-evaluated and updated with the new findings.

- 14) ☐ **HELoans/HELOCs:** This review ensures the loan program is in standard with the lender requirements to include federal compliance such as Early Disclosures, Regulation Z, and the Patriot Act, in addition to loan to value, collateral valuations, credit requirements, and debt to income. QC Verify will also review the title report for references to the deed information, tax information, and mortgage information.
- 15) ☐ **Fair Lending:** QC Verify's Fair Lending audits analyze the detail in the HMDA results for determining trends and perceived violations. The reports and Executive Summaries help lenders make decisions for mitigating fair lending violations. The Fair Lending review provides a comprehensive assessment of lending practices and behaviors in lending policies & procedures; lending patterns and trends; lending decisions based on rates and terms.
- 16) ☐ **Home Mortgage Disclosure Act (HMDA) Compliance.** The Home Mortgage Disclosure Act (HMDA) requires financial institutions to report the ethnicity, race, gender, and gross income of mortgage applicants and borrowers. During this process, lenders must also report information regarding the pricing of the loan and whether the loan is subject to the Home Ownership and Equity Protection Act.

HMDA Data Entry: QC Verify will provide data entry into DES for the client and provide an updated .dot file per each submission.

HMDA Scrub: QC Verify will validate the accuracy of the data and provide a report of exceptions.

HMDA Corrections: QC Verify will make corrections to the .dot file for the lender's submission.

- ☐ Late Rebuttal Fee: Fee applied when a report response exceeds the standard QC Cycle. The client will have to upload the loan files again which will require indexing for the QCV audit team to review prior to finalizing the final report.

D. General Provisions

In consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties agree to the following terms.

- 1) QCV agrees to provide Quality Assurance Services as an independent contractor for the Client as referenced within this agreement and in its statement of work.
- 2) QCV agrees that its Quality Assurance reviews will comply with published FANNIE MAE, FREDDIE MAC, FHA, USDA, VA, and Client Portfolio loan guidelines as applicable. QCV will review the documentation contained in the file and utilize Mortgage Analyst Review Software (MARS), QCV' proprietary auditing software package. The MARS auditing criteria may be updated in accordance with industry, agency, and/or regulatory changes from time to time without notice to the Client, with subsequent updates incorporated in the QCV' online Client Portal.

The Client shall provide evidence in the ordering process and in the loan file submitted to QCV indicating which agency guidelines were applied during the underwriting process. For Conventional loans, if this information is not provided, QCV will default to Freddie Mac requirements.

- 3) QCV will review each file to determine whether the loans appear to meet nationally recognized origination, processing, and underwriting requirements for FANNIE MAE, FREDDIE MAC, FHA, VA, USDA, as applicable, which may be amended without notice from time to time; this includes Client Portfolio Guidelines, as applicable. The guidelines used will be those in effect at the time that the Client's provided underwriting commitment is set to expire. If the Client order includes a regulatory compliance audit, QCV will also review the basic information contained in the TILA-RESPA Integrated Disclosures, including review of Client's APR and QM calculations for inconsistencies with existing administrative rules and industry best practices, which may be amended without notice from time to time. This is contingent on the Client's provision of the appropriate reconciliation documents within the loan file. QCV makes no representation or warranty that the Client's APR, HPML, HOEPA, QM or other threshold calculations are legally validated, and these calculations should be reviewed by the Client's internal review team in accordance with the Client's internal policies. Due to time constraints, QCV will not be responsible for adherence to secondary market investor, MRBP, or specific Client overlays, unless agreed to by the Parties in a supplemental addendum to this Agreement. QCV will also not be responsible for reverifications of borrower data, though the QCV auditor may, at his/her discretion and depending on the Client's requested turn

time, opt to attempt verbal verifications if fraud or misinformation is suspected. Unless a supplemental agreement to this contract is agreed to by the Parties, no verification(s) will be performed if the credit document(s) in question have expired before the Client's commitment expiration, or if a fee must be paid to the verifying entity.

Review Schedule and Location

QCV will perform the reviews and provide appropriate reporting to the Client within the turn time agreed upon by the Parties and, as feasible, in line with the request by the Client in the per-file ordering system of the MARS Client Portal.

Report Delivery

QCV commits to delivering the initial report to the client within a period of four to six weeks from the time files are received. If QCV is not able to deliver within its standard time, the client will be notified and given an estimated delivery time.

File Selection

The Client agrees to upload their monthly/quarterly file selection list to the MARS portal within a timeframe no greater than one week from the previous production period. This is to avoid delays in starting the audit(s). Instructions on this procedure will be made available to the Client by QCV staff. The MARS portal will randomly select files to be audited based on the criteria and algorithms established in the Client parameters.

The Client agrees to have a working knowledge and understanding of agency requirements pertaining to quality control guidelines. Most agencies require a minimum of 10.00% quality control of their monthly-quarterly loan file lists, with detailed requirements for random and standard selection.

The Client agrees to have QCV perform an agency audit for the following loan types:

- ☒ Conventional (Fannie Mae / Freddie Mac)
- ☒ FHA
- ☒ VA
- ☒ USDA
- ☒ Portfolio (Client agrees to provide an internal checklist and applicable guidelines to QCV)

Sample Selection - QCV will always default to 10% file selection unless otherwise instructed by the client. For target and discretionary reviews, the client must work with QCV staff to establish discretionary selection criteria for the reviews.

- ☒ Random Sample 10% or ____.
- ☐ Discretionary Review 10% or ____.
- ☐ Target Review ____.

If the Client desires QCV staff to assist with the order creation process in MARS, there will be a charge of \$10.00 per order for this service. If the client creates the order, there is no fee associated.

☐ Yes

☐ No

Field Review Appraisals

A desk review is performed by collateral risk assessors for every loan with an appraisal. The purpose is to identify discrepancies and ensure general conformance to secondary market standards as defined by the most recent guidelines for FANNIE MAE, FREDDIE MAC, FHA, USDA, and VA.

QCV will order a Field Review Appraisal (FRA) on behalf of the Client as required by the various investor agencies called out in this agreement. If the Client chooses this service, QCV will itemize the cost of the FRAs on each applicable invoice. Field Review Appraisals will be ordered from independent fee appraisers and billed to the Client at market price.

When the cost of a Field Review Appraisal exceeds \$500, QCV will request approval from the client in order to give the client the option to select a different loan file.

☒ Yes

☐ No

Other Ancillary Items

QCV has partnered with KCB Credit as its provider for credit reports and tax transcripts. KCB provides QCV with a platform that supports requests for ancillary items on behalf of its clients. KCB is fully compliant with industry standards and security measures.

Credit Reports

As part of the basic Quality Assurance Review, the original credit report(s) in the file will be reviewed and compared to a new credit report obtained from the Client during the quality control audit review process. If the Client is not able to provide new credit reports, the Client authorizes QCV to order credit reports. If the Client chooses this service, QCV will itemize these charges on the respective invoice.

QCV will charge a processing fee per credit report to the Client. The Client agrees to pay \$3.00 per file. The Client will also receive these itemized fees on the QCV audit invoice.

☒ Yes

☐ No

KCB Credit's standard fees per credit report (Tri-Merge Soft Inquiry):
Individual credit report inquiry fee – \$17.75

Joint credit report inquiry fee – \$28.00

QCV will incorporate these fees in its monthly invoice to the Client.

IRS Tax Transcripts

Both Fannie Mae and Freddie Mac require IRS transcripts from the 4506-T to be ordered on all loans selected for QC audit. The Client has the option to provide to QCV for audit. If the Client desires for QCV to order as part of the review, the Client agrees to pay a \$3.00 processing fee in addition to reimbursing QCV for corresponding IRS transcript fees.

☒ Yes

☐ No

KCB Credit standard fees per 4506-C (Day 1 Certainty enabled) tax transcripts:

1 year tax transcript request – \$8.25

2-year tax transcript request – \$12.50

3-year tax transcript request – \$16.75

QCV will incorporate these fees in its monthly invoice to the Client.

Reverification Procedures

The standard reverification process used by QCV is as follows:

- 1) Copies of original VODs, VOEs, loan verifications, alternate documentation, mortgage/rent payments, gift documentation, and/or verifications of source of funds for down payment will be mailed to the appropriate entities for reverification. The documentation will be mailed to the issuers with a request that the recipient confirm the accuracy of the information, as well as confirm that the individual who completed the form was authorized to do so.
- 2) QCV may determine the necessity to obtain verbal information as a result of the review and reverification process. Whenever verbal information is obtained, it will be documented in writing and retained in the review file.
- 3) Reverifications are NOT made when fees are required unless the Client formally requests this service. QCV will charge a flat fee of \$2.00 for processing for each loan audited that requires a reverification fee from a business, company, and/or financial institutions, in addition to any fees charged by the verifying institution. The Client will pay all costs associated with each reverification mailed that requires a fee from the verifying institution.

☒ YES - Client formally requests QCV to perform reverifications where fees are required.

☐ NO - Client formally requests QCV NOT perform reverifications where fees are required.

The Client agrees to pay a \$2.00 processing fee in addition to reimbursing QCV or self-paying any reverification fees charged by verifying institutions. If financial statements were provided by self-employed borrowers, which reflect the name

and address of the preparer, they will also be sent to the preparer for reverification.

☒ **Third Party Employment** – Where applicable, QCV will validate any employment through The Work Number or other third party as instructed in the file. The fees for The Work Number can range from \$36.50 - \$73.50.

Document Retention and Disposition

QCV will only maintain a copy of the mortgage loan file for a period of three (3) months. QCV will maintain, however, review documentation of the loan file, reverifications, credit reports, exception documentation, and other information in physical or electronic format for a period of three (3) years. QCV will ensure the confidentiality and security of documents and information that QCV retains according to applicable state and federal laws.

QCV recommends for clients to address any findings or defects in their reports within the various agency suggested guidelines. Once files have been deleted or destroyed due to retention policies, QCV will assess a fee of \$10 to receive the loan files and run through its indexing process.

QCV Compliance and Information Security

To stay compliant with mortgage banking industry cyber security guidelines and recommendations, QCV commits to the following:

1. Annual AICPA SOC 2 validation of internal processes and security practices.
2. QCV will conduct a penetration and vulnerability test yearly or as recommended by its third-party IT and security firm vendor.
3. QCV commits to supporting IT policies to its clients as requested.
4. QCV will always implement practices and processes to protect the integrity of the information provided by its clients to perform the audit reviews.

E. Client Agreement, Acknowledgement and Responsibilities

- 1) Where applicable, the Client will provide QCV with any specific lending or underwriting guidelines (that may differ from standard FANNIE MAE, FREDDIE MAC, USDA, VA, and FHA guidelines) which should be applied to the loans reviewed. The Client will continue to provide any amendments or additions to the underwriting criteria as they occur, except published changes to the FANNIE MAE, FREDDIE MAC, USDA, VA, and FHA guidelines, for which QCV is responsible. Such notification updated underwriting criteria will be in writing and will be effective on the date received by QCV. The Client will assist QCV in resolving any inconsistencies by providing clarification of the underwriting guidelines when requested by QCV.
- 2) The Client is responsible for uploading their monthly/quarterly production list into the MARS portal. MARS will select files for review based on a set algorithm. If the Client chooses to send their production list to QCV for file selection, there will be a nominal fee as described in the QCV Fee Schedule, which is made a part of this

agreement.

- 3) The Client agrees to upload their production list to MARS within a week of closing of the production period.
- 4) The Client acknowledges that not submitting the production lists or files in a timely manner may delay the delivery timeline of its audit as is required by the agencies; therefore, causing a delay.
- 5) The Client agrees to provide QCV with all information, lists, and missing documents necessary to comply with the specific review procedures outlined in this agreement.
- 6) The Client agrees to have a *Borrower's Authorization Form/Quality Assurance Release* in the file signed by the borrower (s) authorizing a third party to perform the quality control. If a Quality Assurance Release as described here is not provided in the review file, the Client acknowledges that reverification of documents will not be attempted.
- 7) The Client will be responsible for initiating any corrective actions to resolve discrepancies noted by the review process.
- 8) The Client agrees to make all decisions relating to repurchase obligations and disclosure of Quality Assurance results to investors. QCV will disclose review results only to the Client. All information and materials will be confidential and will be released by QCV only to those individuals designated in writing by the Client.
- 9) The Client will include in the file provided to QCV all relevant credit, appraisal and loan documentation relating to the mortgage application and transaction. The Client will neither knowingly omit any information, nor purge any documents or notes, which may affect the results of the review. The Client agrees to share with QCV any information it may possess regarding real or suspected file quality problems or any other information that would generally be considered to be useful for the review.
- 10) If the Client is audited by an agency during or after the term of this Quality Assurance agreement, and files which QCV reviewed are included in said audit, both QCV and the Client agree to mutually cooperate in responding to any agency inquiries regarding the Quality Assurance procedures completed for those reviewed files.
- 11) If during or after the term of this agreement, QCV' review results are used in such a manner that it is subsequently necessary for QCV to recreate reports, assemble materials, gather additional information or perform other work to assist in preparation for an investigation, civil proceeding or criminal action, the Client will reimburse QCV for all reasonable and necessary out of pocket pre-approved expenses incurred in relation to said work, subject to any reimbursement by QCV under the indemnity provisions of this agreement. The Client also agrees to compensate QCV at the current rate charged for "Custom Reviews, Custom Reports, Reprogramming Charges, and Other Services." The present rate for this service is found on the QCV Fee Schedule, which is made a part of this agreement. When the renewal agreement is issued by QCV and the renewal agreement has not been executed by the Client, new pricing will take effect automatically ninety (90)

days after expiration of previous term of service.

- 12) If the Client has reason to believe that the Client's firm (or the Client's parent firm) is imminently subject to being placed under control of any government agency, the Client will notify QCV of this possibility. The Client agrees to then immediately pay all QCV outstanding invoices, pay for all review work in progress at that time, and prepay on a monthly basis any additional review work the Client may request QCV to perform.

F. QCV Fee Structure

- 1) Each time review summaries are forwarded to the Client, QCV will provide an invoice summarizing the number of reviews performed and the associated expenditures (if any) for the subject period. All additional charges, supplementary services or out-of-pocket pre-approved expenses, will be itemized and included on the invoice. If any expenses are incurred or received by QCV after the initial invoice has been sent to the Client, they will be itemized on either a supplementary invoice or on the invoice accompanying the next review report.
- 2) The Client agrees to pay QCV' invoices within 30 days of receipt. Interest on the balance due will accrue from the date shown on the invoice at a rate equal to the lesser of two percent per month or the maximum permitted by the applicable state laws. Said interest will be waived provided payment in full is received by QCV no later than forty-five (45) days after the invoice date. The client also agrees to pay any expenses including but not limited to attorney fees and/or court costs incurred to collect any monies owed to QC Verify, LLC. The Client has the option to pay outstanding invoices through ACH or check.
- 3) The fees for QCV' services can be found on the QCV Fee Schedule, which is made a part of this agreement.
- 4) The Client requests that QCV perform the services provided for in this agreement at the fees specified in the QCV Fee Schedule. The Client requests that these services be performed continually until such a time that the Client notifies QCV in writing of a change in the services requested. All services, with the exception of the Standard Quality Assurance Review and Quality Assurance Review Without Reverifications, may be initiated, modified, or terminated immediately upon receipt of the Client's written notification. The Client agrees, however, to provide QCV at least 30 days' notification prior to termination of the Standard Quality Assurance Review Service or the Quality Assurance Review Without Reverifications Service.

If the Client needs to cancel the request for services described in this agreement during the 30-60 first days of the contract, the Client is able to terminate services immediately without 30 days notice to QCV.

- 5) The Client agrees to the QCV Fee Schedule, which is made a part of this agreement, even if QC Verify, LLC are terminated prior to the term of the agreement. The Client acknowledges that access to their quality assurance reviews, and trending reports will end ten days after the requested agreement termination date. After the initial ten days, all access or research fees will need to

be paid in advance to QC Verify, LLC. The fees will be as follows:

- Username and Password access fee of \$100 per day.
- Research fees of \$100 per hour (two-hour minimum charge).

Review Reports and Management Responses

The results of the Quality Assurance review are communicated to the Client in a Management Report via the MARS portal. Each exception is cited in the report by borrower's name and assigned number. The Management Report will be submitted to the Client within 30 days of completing the review. This report should be sent to:

Name: Crystal Dunn

Title: Director mortgage operations

E-mail: cdunn@tidemarkfcu.org

Phone: 302-629-0100 ext 119

Please include below any additional provisions and modifications.

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G. Limitation of Liability

- 1) QCV will accept no liability or responsibility for the subsequent sale of mortgage loans, funding of mortgage loans, preparation of disclosures, re-calculation of the APR, flood map determinations, or repurchase obligations. The Client acknowledges that QCV provides quality assurance reviews and management reports only as an informational tool. QCV will ensure audit compliance with the most recently published Fannie Mae, Freddie Mac, FHA, VA and USDA requirements and guidelines in performing reviews, and will identify those areas that do not appear to meet the Client's Quality Assurance standards. QCV warrants that it will use qualified personnel as required under Fannie Mae, Freddie Mac, FHA, VA, and USDA guidelines to perform reviews. QCV makes no representations that all problems will be found but it stands by its work and knowledge that it will re-underwrite each loan to the best of its abilities.
- 2) Both the Client and QCV acknowledge that the credit analysis and file review rely on subjective judgments and that the conclusions reached on a file may differ from one prudent underwriter (or reviewer) to another. Therefore, QCV makes no representation that the loans are saleable in the secondary market or acceptable to investors.
- 3) The Client will hold QCV harmless from any losses that may result from the Client's ownership of the loan, inability to sell the mortgage loan, or obligation to repurchase the mortgage loan.
- 4) Except for breach of its confidentiality and data use obligations, QCV shall not be liable to the Client or any other entity for any act, failure to act, mistake, or omission unless resulting from evident gross negligence by QCV.
- 5) The standard Quality Assurance review will be tailored to incorporate the Client's unique quality assurance requirements and to reflect the Client's internal policies. Upon request, QCV may prepare an addendum to the review results, which will incorporate additional questions specific to the Client's policies and loan products. QCV reserves the right to review and approve these additional questions before incorporating them into the review.
- 6) QCV will review each file to determine whether the loan appears to meet nationally recognized origination, processing, underwriting, and closing documentation requirements of Fannie Mae, Freddie Mac, FHA, VA, or USDA (whichever is applicable). The guidelines used will be in effect at the time that the loan closes. QCV will also review the basic information contained in the Loan Estimate and Closing Disclosure and will recalculate the APR provided the appropriate final closing documents are contained in the loan file. QCV makes no representation that the actual APR calculations are correct; these calculations should be reviewed by the Client's internal reviewers. QCV will also not confirm the accuracy of the flood plain information unless the Client has contracted for this supplementary service.

Client Agreement to Terms and Conditions:

QCV will not be responsible for any services other than those specifically set forth in this agreement and any corresponding amendments to this agreement. The agreement shall not be assignable by the Client or QCV without prior consent of the other party. If any term or provision is found to be invalid or unenforceable, the remainder of this agreement shall remain in effect. This agreement supersedes any and all prior agreements, representations, and understandings, both written and verbal between the Client and QCV.

H. Acknowledgement and Signatures

All parties to this agreement acknowledge that it has been entered into in the State of Tennessee and shall be construed and interpreted in accordance with the laws of the State of Tennessee.

The Client agrees to the terms set forth by QC Verify, LLC as outlined in this agreement.



QC Verify, LLC
Claudia E. Duncan
President
DATE: 9/6/2024

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DocuSigned by:



Officer Signature

Print Name: Pamela A Fleurette

Title: CEO

Date: 10/24/2024

**Privacy Addendum
To the Quality Assurance Agreement**

In accordance with the Gramm-Leach-Bliley Act (Consumer Privacy Act) and Fair and Accurate Credit Transactions Act (Fact Act) of 2003, QC Verify, LLC (QCV) agrees to maintain the confidentiality of the information provided by the below referenced Client for the purposes of the services provided within this agreement.

QC Verify, LLC, and its Client-Client acknowledges that information included in the residential mortgage files contain non-public personal information (PI), and authorizes QCV to view and reverify such information, and to further investigate the information therein. Neither party will, without the express written permission of the other party, disclose or use any non-public personal information provided to it by the other party, or received on behalf of the other party, except as necessary to perform, effect, administer, or enforce any transactions or services contemplated by the Agreement and/or to fulfill its obligations under the Agreement. The agreement will include the Agreement and any addenda, schedules, exhibits, attachments, modifications, extensions, or supplements thereto and thereafter. Use of publicly available information, such as the telephone book, postal service guide/resources and web-based information may also be used in the course of reviewing services in accordance with the Client's policy and/or secondary market investor. Neither party will disclose or make available any non-public personal information to any person or entity other than those of its employees, agents, or representatives who have a need to know. QCV will notify the Client immediately in the event of any unauthorized or unintended disclosure of confidential or non-public personal information.

QC Verify, LLC will not disclose or re-use the information provided by the Client or obtained by QCV acting as the agent of the Client, other than for the purposes for which QCV was contracted.

QC Verify, LLC acknowledges that processing and servicing transactions necessary to administer or enforce a transaction request or authorized by the consumer in connection with certain servicing, processing, securitization, or secondary market functions, is exempt from initial disclosure and opt-out requirements of the Consumer Privacy Act. QCV makes no representation regarding the proper initial or annual disclosure to consumers by the Client and any applicable originating broker or loan servicer.

Upon completion of the use, and/or required retention period of non-public electronic information, QC Verify, LLC will dispose of such information destroying it in such a way as to make the information unreadable as required by the Fair and Accurate Credit Transactions Act (Fact Act) of 2003.

In the event of an intrusion to the QCV CLOUD or servers, it is the policy of QCV to notify its clients via email and registered mail of the status of the investigation within 12 hours of detection.

Both parties agree to comply with any applicable state and federal laws and regulations regarding the privacy and security of non-public confidential information. Both parties agree to defend, indemnify, and hold the other harmless against all losses, claims, liabilities, judgments, awards, and costs (including, but not limited to legal fees, and expenses) arising out of breach of their respective obligations. These provisions will survive the termination of this agreement and continue into perpetuity.

The parties agree that a breach or threatened breach of the provisions listed under this Privacy Addendum will cause immediate or irreparable consequences for which there exists no adequate remedy at law. According to such, the parties then grant each other the right to appear at any time in any Tennessee court of law and to obtain an immediate order enjoining or restricting the use or disclosure of such information, except as how such disclosure is permitted under this addendum. The parties will be bound by all provisions of each protective order and for any determination of a Tennessee court of competent jurisdiction.

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Below please find the authorized signatures attesting to the Pricing Addendum to the Quality Assurance Agreement.



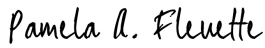
QC Verify, LLC (QCV)

Claudia E. Duncan

President

DATE: 9/6/2024

DocuSigned by:



80E79878739344F...

Officer Signature

Print Name: **Pamela A Fleurette**

Title: **CEO**

Date: 10/24/2024

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QC VERIFY, LLC (QCV) Service Fees	
Post-Closing QC Audit Full Agency Audit – Fannie Mae, Freddie Mac, FHA, VA, USDA. The QCV' standard Quality Assurance review includes: the credit decision, a desk review of the appraisal, documentation and compliance, reverification of written third party documentation, and mortgagor review of final application. The review results are analyzed and presented in a Management Report on the secure QCV portal. (Price does not include cost of credit reports. These will be ordered by QCV but will be invoiced directly to the Client by the Vendor.)	\$195.00
ATQ (Audit the QC) Fannie Mae requirement for third party audit	\$20.00
Denial Loans The review of rejected loan applications involves a complete file review. Specific attention is given to required disclosures and the reason for the loan being rejected	\$65.00
Federal Regulatory Review Audit for compliance, documentation, and regulations. No underwriting, appraisal, or verifications.	\$160.00
Early Payment Default (EPD) QCV' basic review of early payment default loans include all of the services outlined in the Standard Quality Assurance Review; however, the Client may elect to keep the review results in a database separate from the regular quality control review statistics.	\$235.00
Antimoney Laundering (AML)	\$150.00
Pre-Funding Audits – Module Staggering Pricing (48 Hour Report Delivery)	
• 1 st Module Selection Base Price	\$90.00
• 2 nd Module Selection add \$35.00 + Base Price (\$90)	\$125.00
• 3 rd Module Selection add \$35.00 + \$125.00	\$160.00
• Report Delivery Expedite (delivery up to 12 hours)	\$40.00
• Report Delivery Rush (delivery up to 24 hours)	\$20.00
Agency Verification Validation Fee – per loan file - all agency loans require 1 st and 2 nd attempts to validate that the information is correct for accuracy and integrity during the loan approval process. The QCV team will follow up with every verifier for 1 st and 2 nd attempts to ensure responses to the verifications are received. Information is also documented to support the verification efforts.	\$40.00
Quality Control Plan	\$450.00
Repurchase Defense Audit (Special review per request only)	\$850.00
Pre-Purchase Mortgage Audit Review	\$195.00
Closing Due Diligence Audit Review	\$165.00
HELoans/HELOCs - Review to ensure the loan program is in standard with the lender requirements to include federal compliance such as Early Disclosures, Regulation Z, and the Patriot Act	\$175.00
Fair Lending - audits analyze the detail in the HMDA results for determining trends and perceived violations.	\$290.00/hour
Home Mortgage Disclosure Act (HMDA) Compliance	\$90.00/hour
Servicing: Boarding Review - Includes servicer boarding and compliance	\$70.00
Servicing: Administrative Review – Detailed review with the most recent comments	
○ 12 months	\$70.00
○ 24 months	\$75.00

○ 36 months	\$80.00
Servicing: Administrative Modification Review – Detailed review with comments	\$70.00
Servicing: Pull Forward – Takes a 2 nd look at a file	
○ 12 months	\$25.00
○ 24 months	\$28.00
○ 36 months	\$30.00
Add-Ons	
Servicing: Administrative Delinquency Review (Agency Specific) – Adds to the base Administrative Review price	
○ 12 months	\$45.00
○ 24 months	\$50.00
○ 36 months	\$55.00
Other Charges	
○ Processing Fee (If required, access to servicing system for printouts)	\$5.00
○ Indexing Fee (If required)	\$5.00
ADDITIONAL FEES:	
Post-Closing Expedite Fee – Report delivered within two weeks	\$55.00
Post-Closing Rush Fee – Report delivered within three weeks	\$25.00
Production List Request - QCV to create order on behalf of client	\$10.00
Processing Fee - This fee includes file indexing, missing document identification, extraction and bundling of QC verifications and follow-up.	\$15.00
Processing Rebuttal Fee	\$10.00
File Extraction Fee: Extraction of loan file documentation from client LOS	\$8.00
Excessive Page Count/Duplicate PDF Files:	
○ Over 1000 pages	\$25.00
○ Over 2000 pages	\$40.00
○ Over 3000 pages	\$60.00
Late Rebuttal Fee: Fee applied when a report response exceeds the standard QC Cycle. The client will have to upload the loan files again which will require indexing for the QCV audit team to review prior to finalizing the final report.	\$90.00
<i>Other Processing Fees Related to Ancillary Items</i>	
Reverification Request (Third Party Income/Employment, Asset) – per reverification.	\$3.00
Reverifications (Manual/Mail)	\$5.00
Field Review Appraisals – At Market Value.	Market Value
Credit Reports: processing fee per credit report	\$3.00
Tax Transcripts: processing fee per tax transcript	\$3.00
Forensic verifications research (per Barcode) at client's request	\$25.00
Forensic audit extension	\$40.00

CONTACT LIST				
Please complete this to keep our portal's contact information current.				
ROLE/POSITION	NAME	TITLE	PHONE/EXT.	EMAIL
Accounting	Chris Dickman	CFO	302-629-0100	accountinggroup@tidemarkfcu.org
Post-Closing			302-629-0100	mortgagedepartment@tidemarkfcu.org
Pre-Funding			302-629-0100	mortgagedepartment@tidemarkfcu.org
Missing Documents			302-629-0100	mortgagedepartment@tidemarkfcu.org
QC Coordinator	Bonnie Farris	Director LoanOps	302-629-0100 ext 131	bfarris@tidemarkfcu.org
Pre-Purchase				
Report Management Response	Crystal Dunn	Director Mtg Ops	302-629-0100 ext 119	cdunn@tidemarkfcu.org
Closing Due Diligence				
HMDA				
Servicing				
Sharefile/File upload	Bonnie Farris	Director loan ops	302-629-0100 ext 131	bfarris@tidemarkfcu.org