

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-39189

UWM HOLDINGS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

585 South Boulevard E.

(Address of Principal Executive Offices)

Pontiac, MI

84-2124167

(I.R.S. Employer Identification No.)

48341

(Zip Code)

(800) 981-8898

Registrant's telephone number, including area code

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	UWMC	New York Stock Exchange
Warrants, each warrant exercisable for one share of Class A Common Stock	UWMCWS	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of November 6, 2023, the registrant had 93,654,269 shares of Class A common stock outstanding and 1,502,069,787 shares of Class D common stock outstanding.

Table of Contents

Section Name	Page
<u>PART I - FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	2
Condensed Consolidated Balance Sheets	2
Condensed Consolidated Statements of Operations	3
Condensed Consolidated Statements of Changes in Equity	4
Condensed Consolidated Statements of Cash Flows	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3. Quantitative and Qualitative Disclosures About Market Risk	42
Item 4. Controls and Procedures	43
<u>PART II - OTHER INFORMATION</u>	
Item 1. Legal Proceedings	44
Item 5. Other Information	44
Item 6. Exhibits	45
 Signatures	 46

PART I

Item 1. Financial Statements

UWM HOLDINGS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except shares and per share amounts)

	September 30, 2023	December 31, 2022
	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 729,616	\$ 704,898
Mortgage loans at fair value	5,560,039	7,134,960
Derivative assets	92,791	82,869
Investment securities at fair value, pledged	104,526	113,290
Accounts receivable, net	385,922	383,147
Mortgage servicing rights	4,352,219	4,453,261
Premises and equipment, net	146,509	152,477
Operating lease right-of-use asset, net (includes \$98,813 and \$102,322 with related parties)	100,427	104,181
Finance lease right-of-use asset (includes \$25,318 and \$26,867 with related parties)	31,803	42,218
Loans eligible for repurchase from Ginnie Mae	617,490	345,490
Other assets	82,795	83,834
Total assets	\$ 12,204,137	\$ 13,600,625
Liabilities and equity		
Warehouse lines of credit	\$ 5,066,900	\$ 6,443,992
Derivative liabilities	38,882	49,748
Secured lines of credit	500,000	750,000
Borrowings against investment securities	97,328	101,345
Accounts payable, accrued expenses and other	503,890	439,719
Accrued distributions and dividends payable	159,572	159,465
Senior notes	1,987,284	1,984,336
Operating lease liability (includes \$105,775 and \$109,473 with related parties)	107,389	111,332
Finance lease liability (includes \$26,665 and \$27,857 with related parties)	33,291	43,505
Loans eligible for repurchase from Ginnie Mae	617,490	345,490
Total liabilities	9,112,026	10,428,932
Equity		
Preferred stock, \$0.0001 par value - 100,000,000 shares authorized, none issued and outstanding as of September 30, 2023 or December 31, 2022	—	—
Class A common stock, \$0.0001 par value - 4,000,000,000 shares authorized, 93,654,269 and 92,575,974 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	10	9
Class B common stock, \$0.0001 par value - 1,700,000,000 shares authorized, none issued and outstanding as of September 30, 2023 or December 31, 2022	—	—
Class C common stock, \$0.0001 par value - 1,700,000,000 shares authorized, none issued and outstanding as of September 30, 2023 or December 31, 2022	—	—
Class D common stock, \$0.0001 par value - 1,700,000,000 shares authorized, 1,502,069,787 shares issued and outstanding as of September 30, 2023 and December 31, 2022	150	150
Additional paid-in capital	1,484	903
Retained earnings	130,233	142,500
Non-controlling interest	2,960,234	3,028,131
Total equity	3,092,111	3,171,693
Total liabilities and equity	\$ 12,204,137	\$ 13,600,625

See accompanying Notes to the Condensed Consolidated Financial Statements.

UWM HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except shares and per share amounts)
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Revenue				
Loan production income	\$ 288,930	\$ 172,402	\$ 775,111	\$ 852,808
Loan servicing income	200,428	196,781	612,205	574,847
Change in fair value of mortgage servicing rights	92,909	236,780	(219,730)	434,912
Interest income	94,849	78,210	258,324	207,625
Total revenue, net	677,116	684,173	1,425,910	2,070,192
Expenses				
Salaries, commissions and benefits	135,333	135,028	387,716	434,620
Direct loan production costs	36,184	20,498	76,285	72,973
Marketing, travel, and entertainment	20,117	17,730	58,915	51,192
Depreciation and amortization	11,563	11,426	34,674	33,522
General and administrative	44,904	51,649	132,214	129,881
Servicing costs	33,640	37,596	102,160	129,215
Interest expense	93,724	73,136	239,445	191,069
Other expense (income)	(76)	6,729	2,386	23,793
Total expenses	375,389	353,792	1,033,795	1,066,265
Earnings before income taxes	301,727	330,381	392,115	1,003,927
Provision for income taxes	734	4,771	941	9,585
Net income	300,993	325,610	391,174	994,342
Net income attributable to non-controlling interest	282,762	313,914	377,326	952,350
Net income attributable to UWM Holdings Corporation	\$ 18,231	\$ 11,696	\$ 13,848	\$ 41,992
Earnings per share of Class A common stock (see Note 16):				
Basic	\$ 0.20	\$ 0.13	\$ 0.15	\$ 0.45
Diluted	\$ 0.15	\$ 0.13	\$ 0.15	\$ 0.45
Weighted average shares outstanding:				
Basic	93,290,736	92,571,886	93,107,576	92,441,342
Diluted	1,596,624,780	92,571,886	93,107,576	92,441,342

See accompanying Notes to the Condensed Consolidated Financial Statements.

UWM HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands, except shares and per share amounts)
(Unaudited)

	Class A Common Stock Shares	Class A Common Stock Amount	Class D Common Stock Shares	Class D Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Non- controlling Interest	Total
Balance, January 1, 2022	91,612,305	\$ 9	1,502,069,787	\$ 150	\$ 437	\$ 141,805	\$ 3,028,600	\$ 3,171,001
Net income	—	—	—	—	—	21,930	431,357	453,287
Class A common stock dividends	—	—	—	—	—	(9,253)	—	(9,253)
Member distributions to SFS Corp.	—	—	—	—	—	—	(450,621)	(450,621)
Stock-based compensation	918,768	—	—	—	105	—	1,723	1,828
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	(15,648)	15,648	—
Balance, March 31, 2022	92,531,073	\$ 9	1,502,069,787	\$ 150	\$ 542	\$ 138,834	\$ 3,026,707	\$ 3,166,242
Net income	—	—	—	—	—	8,366	207,079	215,445
Class A common stock dividends	—	—	—	—	—	(9,254)	—	(9,254)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation	8,172	—	—	—	127	—	1,549	1,676
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	9	(9)	—
Balance, June 30, 2022	92,539,245	\$ 9	1,502,069,787	\$ 150	\$ 669	\$ 137,955	\$ 3,085,119	\$ 3,223,902
Net income	—	—	—	—	—	11,696	313,914	325,610
Class A common stock dividends	—	—	—	—	—	(9,258)	—	(9,258)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation	36,180	—	—	—	115	—	1,871	1,986
Class A common stock repurchased	—	—	—	—	—	—	—	—
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	801	(801)	—
Balance, September 30, 2022	92,575,425	\$ 9	1,502,069,787	\$ 150	\$ 784	\$ 141,194	\$ 3,249,896	\$ 3,392,033

[Table of Contents](#)

	Class A Common Stock Shares	Class A Common Stock Amount	Class D Common Stock Shares	Class D Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Non- controlling Interest	Total
Balance, January 1, 2023	92,575,974	\$ 9	1,502,069,787	\$ 150	\$ 903	\$ 142,500	\$ 3,028,131	\$ 3,171,693
Net loss	—	—	—	—	—	(11,941)	(126,672)	(138,613)
Class A common stock dividends	—	—	—	—	—	(9,310)	—	(9,310)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation	525,997	—	—	—	133	—	2,153	2,286
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	887	(2,194)	(1,307)
Balance, March 31, 2023	93,101,971	\$ 9	1,502,069,787	\$ 150	\$ 1,036	\$ 122,136	\$ 2,751,211	\$ 2,874,542
Net income	—	—	—	—	—	7,558	221,236	228,794
Class A common stock dividends	—	—	—	—	—	(9,310)	—	(9,310)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation	12,907	—	—	—	231	—	3,072	3,303
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	(5)	5	—
Balance, June 30, 2023	93,114,878	\$ 9	1,502,069,787	\$ 150	\$ 1,267	\$ 120,379	\$ 2,825,317	\$ 2,947,122
Net income	—	—	—	—	—	18,231	282,762	300,993
Class A common stock dividends	—	—	—	—	—	(9,365)	—	(9,365)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation	539,391	1	—	—	217	—	3,350	3,568
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	988	(988)	—
Balance, September 30, 2023	93,654,269	\$ 10	1,502,069,787	\$ 150	\$ 1,484	\$ 130,233	\$ 2,960,234	\$ 3,092,111

See accompanying Notes to the Condensed Consolidated Financial Statements.

UWM HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	For the nine months ended September 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 391,174	\$ 994,342
Adjustments to reconcile net income to net cash provided by operating activities:		
Reserve for representations and warranties	39,811	37,877
Capitalization of mortgage servicing rights	(1,803,648)	(1,740,625)
Change in fair value of mortgage servicing rights	219,730	(434,912)
Depreciation & amortization	37,622	36,455
Stock-based compensation expense	9,871	5,490
Decrease in fair value of investment securities	2,956	28,330
Increase (decrease) in fair value of warrants liability	1,252	(7,737)
(Increase) decrease in:		
Mortgage loans at fair value	1,574,921	12,132,107
Derivative assets	(9,922)	(317,991)
Other assets	24,573	(124,946)
Increase (decrease) in:		
Derivative liabilities	(10,866)	178,589
Other liabilities	17,039	25,843
Net cash provided by operating activities	494,513	10,812,822
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of premises and equipment	(19,617)	(20,741)
Net proceeds from sale of mortgage servicing rights	1,669,216	1,171,430
Proceeds from principal payments on investment securities	5,807	8,569
Margin calls on borrowings against investment securities	(3,080)	(14,682)
Net cash provided by investing activities	1,652,326	1,144,576
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments under warehouse lines of credit	(1,377,093)	(11,242,219)
Repayments of finance lease liabilities	(10,213)	(13,023)
Repayments under equipment notes payable	(991)	(763)
Borrowings under secured lines of credit	750,000	—
Repayments under secured lines of credit	(1,000,000)	—
Borrowings against investment securities	97,328	28,648
Repayments of borrowings against investment securities	(101,345)	(32,559)
Dividends paid to Class A common stockholders	(27,879)	(27,678)
Member distributions paid to SFS Corp.	(450,621)	(601,358)
Other financing activities	(1,307)	—
Net cash used in financing activities	(2,122,121)	(11,888,952)
INCREASE IN CASH AND CASH EQUIVALENTS	24,718	68,446
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	704,898	731,088
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$ 729,616	\$ 799,534
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 233,245	\$ 122,049
Cash received for taxes	(124)	—

See accompanying Notes to the Condensed Consolidated Financial Statements.

UWM HOLDINGS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

UWM Holdings Corporation, through its consolidated subsidiaries (collectively, the “Company”), engages in the origination, sale and servicing of residential mortgage loans. The Company is organized in Delaware but based in Michigan, and originates and services loans throughout the U.S. The Company is approved as a Title II, non-supervised direct endorsement mortgagee with the U.S. Department of Housing and Urban Development (or “HUD”). In addition, the Company is an approved issuer with the Government National Mortgage Association (or “Ginnie Mae”), as well as an approved seller and servicer with the Federal National Mortgage Association (or “Fannie Mae”) and the Federal Home Loan Mortgage Corporation (or “Freddie Mac”).

The Company (f/k/a Gores Holdings IV, Inc.) was incorporated in Delaware on June 12, 2019. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On September 22, 2020, the Company entered into a Business Combination Agreement (the “Business Combination Agreement”) by and among the Company, SFS Holding Corp., a Michigan corporation (“SFS Corp.”), United Wholesale Mortgage, LLC, a Michigan limited liability company (“UWM”), and UWM Holdings, LLC, a newly formed Delaware limited liability company (“Holdings LLC” and, together with UWM, the “UWM Entities”). The business combination with the UWM Entities closed on January 21, 2021.

Prior to the closing of the business combination with the UWM Entities, SFS Corp. was the sole member of UWM, which had one unit authorized, issued and outstanding. On January 21, 2021, SFS Corp. contributed its equity interest in UWM to Holdings LLC and adopted the Amended and Restated Operating Agreement to admit Holdings LLC as UWM's sole member and its manager. Upon completion of the business combination transaction, (i) Holdings LLC issued approximately 6% of its units (Class A Common Units) to the Company, (ii) SFS Corp. retained approximately 94% of the units (Class B Common Units) in Holdings LLC and accordingly retained approximately 94% of the economic ownership interest of the combined company and (iii) Holdings LLC became a consolidated subsidiary of the Company, as the Company is the sole managing member of Holdings LLC. The economic interest in Holdings LLC owned by SFS Corp. is presented as a non-controlling interest in these condensed consolidated financial statements. See *Note 10 - Non-Controlling Interests* for further information.

Following the consummation of the transactions contemplated by the Business Combination Agreement, the Company is organized in an “Up-C” structure in which UWM (the operating subsidiary) is held directly by Holdings LLC, and the Company’s only material direct asset consists of Class A Common Units in Holdings LLC. The Company’s current capital structure authorizes Class A common stock, Class B common stock, Class C common stock and Class D common stock. The Class A common stock and Class C common stock each provide holders with one vote on all matters submitted to a vote of stockholders, and the Class B common stock and Class D common stock each provide holders with 10 votes on all matters submitted to a vote of stockholders. The holders of Class C common stock and Class D common stock do not have any of the economic rights (including rights to dividends and distributions upon liquidation) provided to holders of Class A common stock and Class B common stock. Each Holdings LLC Class B Common Unit held by SFS Corp. may be exchanged at the option of the Company, along with its stapled share of Class D common stock, for either, (a) cash or (b) one share of the Company’s Class B common stock. Each share of Class B common stock is convertible into one share of Class A common stock upon the transfer or assignment of such share from SFS Corp. to a non-affiliated third-party. See *Note 10 - Non-Controlling Interests* for further information.

Pursuant to the Business Combination Agreement, SFS Corp. is entitled to receive an aggregate of up to 90,761,687 earn-out shares in the form of Class B Common Units in Holdings LLC and Class D common shares upon attainment of certain stock price targets prior to January 2026. There are four different triggering events that affect the number of earn-out shares that will be issued based upon the per share price of Class A common stock ranging from \$13.00 to \$19.00 per share. The Company accounts for the potential earn-out shares as a component of stockholders’ equity in accordance with the applicable guidance in U.S. GAAP. See *Note 16 - Earnings Per Share* for further information.

Upon completion of the business combination transaction, the directors and officers of Gores Holdings IV, Inc. (the “Gores Directors and Officers”) resigned, the Company appointed new directors to its Board, and certain officers of UWM became officers of the Company. Pursuant to the Business Combination Agreement, the Company is obligated to indemnify the Gores Directors and Officers for costs or losses incurred prior to or after the closing of the business combination transaction that arose by reason of the fact that he or she is or was a director or officer of Gores Holdings IV, Inc. The Gores Directors and

Officers have been named as defendants in class action suits in Delaware Chancery Court in which it is alleged that they breached their fiduciary duties to shareholders of Gores Holdings, IV. Pursuant to its obligations under the Business Combination Agreement, the Company is indemnifying the Gores Directors and Officers in connection with these lawsuits. The Company has insurance which it believes will cover any material liability that could arise pursuant to its indemnification obligations to the Gores Directors and Officers.

Basis of Presentation

The condensed consolidated financial statements are unaudited and presented in U.S. dollars. They have been prepared in accordance with U.S. GAAP pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In our opinion, these condensed consolidated financial statements include all normal and recurring adjustments considered necessary for a fair statement of our results of operations, financial position and cash flows for the periods presented. However, our results of operations for any interim period are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Loans Eligible for Repurchase from Ginnie Mae

When the Company has the unilateral right to repurchase Ginnie Mae pool loans it has previously sold (generally loans that are more than 90 days past due), the previously sold assets are required to be re-recognized on the condensed consolidated balance sheets as assets and corresponding liabilities at the loan's unpaid principal balance, regardless of the Company's intent to exercise its option to repurchase. The recognition of previously sold loans does not impact the accounting for the previously recognized mortgage servicing rights (or “MSRs”).

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under applicable U.S. GAAP. Our income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. The Company is subject to income taxes in the U.S. and various state and local jurisdictions. The tax laws are often complex and may be subject to different interpretations. To determine the financial statement impact of accounting for income taxes, the Company must make assumptions and judgements about how to interpret and apply complex tax laws to numerous transactions and business events, as well as make judgements regarding the timing of when certain items may affect taxable income.

Deferred income taxes arise from temporary differences between the financial statement carrying amount and the tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations. If based upon all available positive and negative evidence, it is more likely than not that the deferred tax assets will not be realized, a valuation allowance is established. The valuation allowance may be reversed in a subsequent reporting period if the Company determines that it is more likely than not that all or part of the deferred tax asset will become realizable.

Our interpretations of tax laws are subject to review and examination by various taxing authorities and jurisdictions where the Company operates, and disputes may occur regarding our view on a tax position. These disputes over interpretations with the various tax authorities may be settled by audit, administrative appeals or adjudication in the court systems of the tax jurisdictions in which the Company operates. We regularly review whether we may be assessed additional income taxes as a result of the resolution of these matters, and the Company records additional reserves as appropriate. In addition, the Company may revise its estimate of income taxes due to changes in income tax laws, legal interpretations, and business strategies. We recognize the financial statement effects of uncertain income tax positions when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. We record interest and penalties related to uncertain tax positions as a component of the income tax provision. See *Note 14 – Income Taxes* for further information.

Tax Receivable Agreement

In connection with the Business Combination Agreement, the Company entered into a Tax Receivable Agreement with SFS Corp. that will obligate the Company to make payments to SFS Corp. of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes as a result of (i) certain increases in tax basis resulting from exchanges of Holdings LLC common units; (ii) imputed interest deemed to be paid by the Company as a result of payments it makes under the tax receivable agreement; (iii) certain increases in tax basis resulting from payments the Company makes under the tax receivable agreement; and (iv) disproportionate allocations (if any) of tax benefits to the Company which arise from, among other things, the sale of certain assets as a result of section 704(c) of the Internal Revenue Code of 1986. The Company will retain the benefit of the remaining 15% of these tax savings. The Company's potential liability under the Tax Receivable Agreement is accounted for as a loss contingency (the liability is recorded within "Accounts payable, accrued expenses and other"), with changes in the liability measured and recorded when estimated amounts due under the Tax Receivable Agreement are probable and can be reasonably estimated, and reported as part of "Other expense" in the condensed consolidated statements of operations. As of September 30, 2023, the total liability recorded for the Tax Receivable Agreement was approximately \$15.2 million.

Related Party Transactions

The Company enters into various transactions with related parties. See *Note 13 – Related Party Transactions* for further information.

Public and Private Warrants

As part of Gores Holdings IV, Inc.'s initial public offering ("IPO") in January 2020, Gores Holdings IV, Inc. issued to third party investors 42.5 million units, consisting of one share of Class A common stock of Gores Holdings IV, Inc. and one-fourth of one warrant, at a price of \$10.00 per unit. Each whole warrant entitles the holder to purchase one share of Class A common stock at an exercise price of \$11.50 per share (the "Public Warrants"). Simultaneously with the closing of the IPO, Gores Holdings IV, Inc. completed the private sale of 5.25 million warrants to Gores Holdings IV, Inc.'s sponsor at a purchase price of \$2.00 per warrant (the "Private Warrants"). Each Private Warrant allows the sponsor to purchase one share of Class A common stock at \$11.50 per share. Upon the closing of the business combination transaction, the Company had 10,624,987 Public Warrants and 5,250,000 Private Warrants outstanding.

The Private Warrants and the shares of common stock issuable upon the exercise of the Private Warrants were not transferable, assignable or salable until after the completion of the business combination, subject to certain limited exceptions. Additionally, the Private Warrants are exercisable for cash or on a cashless basis, at the holder's option, and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company evaluated the Public and Private Warrants under applicable U.S. GAAP and concluded that they do not meet the criteria to be classified in stockholders' equity due to certain terms of the warrants. Since the Public and Private Warrants meet the definition of derivatives, the Company recorded these warrants as liabilities on the balance sheet at fair value upon the closing of the business combination transaction and subsequently (recorded within "Accounts payable, accrued expenses and other"), with the change in their respective fair values recognized in the condensed consolidated statement of operations (recorded within "Other expense"). During the three months ended September 30, 2023 and 2022, the Company recognized \$2.0 million and \$0.8 million, respectively, of other income related to the change in fair value of warrants. During the nine months ended September 30, 2023 and 2022, the Company recognized \$1.3 million of other expense and \$7.7 million of other income, respectively, related to the change in fair value of warrants.

Stock-Based Compensation

Effective upon the closing of the business combination transaction, the Company adopted the UWM Holdings Corporation 2020 Omnibus Incentive Plan (the "2020 Plan") which was approved by stockholders on January 20, 2021. The 2020 Plan allows for the grant of stock options, restricted stock, restricted stock units ("RSUs"), and stock appreciation rights. Pursuant to the 2020 Plan, the Company reserved a total of 80,000,000 shares of common stock for issuance of stock-based compensation awards, and 72,018,682 shares remained available for issuance under the 2020 Plan as of September 30, 2023. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period based on the fair value of the award on the date of grant and is included in "Salaries, commissions and benefits" on the condensed consolidated statements of operations. The Company made a policy election to recognize the effects of forfeitures as they occur. See *Note 15 – Stock-based Compensation* for further information.

Recently Adopted Accounting Standards

In March 2020, the Financial Accounting Standards Board (“FASB”) issued ASU 2020-4, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which was subsequently amended by ASU No. 2021-1, *Reference Rate Reform (Topic 848): Scope*, which was issued in January 2021 and will remain effective through December 31, 2024. This guidance provides practical expedients to address existing guidance on contract modifications due to the expected market transition from the London Inter-bank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate (“SOFR”). The ASU was effective upon issuance on a prospective basis beginning January 1, 2020. Alternative base rate language, which may include SOFR to agreements for its derivatives, has been added to warehouse and other lines of credit and debt obligations that use LIBOR. The Company has applied the optional expedients under ASU 2020-04 and accounted for the contract modifications related to reference rate reform prospectively. There was no impact on the Company’s condensed consolidated financial statements from adopting this standard.

Accounting Standards Issued but Not Yet Effective

In March 2023, the FASB issued ASU 2023-1, *Leases (Topic 842): Common Control Arrangements*, which amends certain provisions of ASU 2016-2, *Leases (Topic 842)*, which was issued in February 2016 and will remain effective through December 31, 2024. This guidance addresses existing guidance that applies to the amortization of leasehold improvements made by lessees in lease arrangements between entities under common control. The ASU is effective for fiscal years beginning after December 15, 2023. The Company does not anticipate this will have a material impact on its condensed consolidated financial statements and related disclosures.

NOTE 2 – MORTGAGE LOANS AT FAIR VALUE

The table below includes the estimated fair value and unpaid principal balance (“UPB”) of mortgage loans that have contractual principal amounts and for which the Company has elected the fair value option. The fair value option has been elected for mortgage loans, as this accounting treatment best reflects the economic consequences of the Company’s mortgage origination and related hedging and risk management activities. The difference between the UPB and estimated fair value is made up of the premiums paid on mortgage loans, as well as the fair value adjustment as of the balance sheet date. The change in fair value adjustment is recorded in the “Loan production income” line item of the condensed consolidated statements of operations.

(In thousands)	September 30, 2023	December 31, 2022
Mortgage loans, unpaid principal balance	\$ 5,580,065	\$ 7,128,131
Premiums paid on mortgage loans	44,525	70,914
Fair value adjustment	(64,551)	(64,085)
Mortgage loans at fair value	<u>\$ 5,560,039</u>	<u>\$ 7,134,960</u>

NOTE 3 – DERIVATIVES

The Company enters into Interest Rate Lock Commitments (“IRLCs”) to originate residential mortgage loans at specified interest rates and terms within a specified period of time with customers who have applied for a loan and may meet certain credit and underwriting criteria. To determine the fair value of the IRLCs, each contract is evaluated based upon its stage in the application, approval and origination process for its likelihood of consummating the transaction (or “pullthrough”). Pullthrough is estimated based on changes in market conditions, loan stage, and actual borrower behavior using a historical analysis of IRLC closing rates. Generally, the further into the process the more likely that the IRLC will convert to a loan. The blended average pullthrough rate was 80% and 77%, as of September 30, 2023 and December 31, 2022, respectively. The Company primarily uses Forward-settling Loan Sale Commitments (“FLSCs”) to economically hedge its pipeline of IRLCs and mortgage loans at fair value.

The notional amounts and fair values of derivative financial instruments not designated as hedging instruments were as follows (in thousands):

	September 30, 2023			December 31, 2022		
	Fair value		Notional Amount	Fair value		Notional Amount
	Derivative assets	Derivative liabilities		Derivative assets	Derivative liabilities	
IRLCs	\$ 7,037	\$ 35,518	\$ 7,351,202 ^(a)	\$ 7,872	\$ 32,294	\$ 5,359,684 ^(a)
FLSCs	85,754	3,364	11,815,554	74,997	17,454	10,944,875
Total	\$ 92,791	\$ 38,882		\$ 82,869	\$ 49,748	

(a) Notional amounts have been adjusted for pullthrough rates of 80% and 77%, respectively.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

The following summarizes accounts receivable, net (in thousands):

	September 30, 2023	December 31, 2022
Servicing fees	\$ 153,602	\$ 110,891
Servicing advances	85,848	162,896
Receivables from sales of servicing	79,118	56,019
Derivative settlements receivable	29,896	8,204
Origination receivables	26,292	24,179
Investor receivables	14,801	25,701
Other receivables	1,449	378
Provision for current expected credit losses	(5,084)	(5,121)
Total accounts receivable, net	\$ 385,922	\$ 383,147

The Company periodically evaluates the carrying value of accounts receivable balances with delinquent receivables being written-off based on specific credit evaluations and circumstances of the debtor.

NOTE 5 – MORTGAGE SERVICING RIGHTS

Mortgage servicing rights are recognized on the condensed consolidated balance sheets when loans are sold and the associated servicing rights are retained. The Company's MSR assets are measured at fair value, which is determined using a valuation model that calculates the present value of estimated future net servicing cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income, and ancillary income and late fees, among others. These estimates are supported by market and economic data collected from various external sources.

The unpaid principal balance of mortgage loans serviced for others approximated \$281.4 billion and \$312.5 billion at September 30, 2023 and December 31, 2022, respectively. Conforming conventional loans serviced by the Company have previously been sold to Fannie Mae and Freddie Mac on a non-recourse basis, whereby credit losses are generally the responsibility of Fannie Mae and Freddie Mac, and not the Company. Loans serviced for Ginnie Mae are insured by the FHA, guaranteed by the VA, or insured by other applicable government programs. While the above guarantees and insurance are the responsibility of those parties, the Company is still subject to potential losses related to its servicing of these loans. Those estimated losses are incorporated into the valuation of MSR assets.

The following table summarizes changes in the MSR assets for the three and nine months ended September 30, 2023 and 2022 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Fair value, beginning of period	\$ 4,224,207	\$ 3,736,359	\$ 4,453,261	\$ 3,314,952
Capitalization of MSRs	637,280	682,510	1,803,648	1,740,625
MSR and excess sales	(617,474)	(359,014)	(1,721,827)	(1,231,810)
Changes in fair value:				
Due to changes in valuation inputs or assumptions	236,044	373,232	177,655	940,668
Due to collection/realization of cash flows/other	(127,838)	(127,401)	(360,518)	(458,749)
Fair value, end of period	\$ 4,352,219	\$ 4,305,686	\$ 4,352,219	\$ 4,305,686

The following is a summary of the components of change in fair value of servicing rights as reported in the condensed consolidated statements of operations (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Changes in fair value:				
Due to changes in valuation inputs and assumptions	\$ 236,044	\$ 373,232	\$ 177,655	\$ 940,668
Due to collection/realization of cash flows and other	(127,838)	(127,401)	(360,518)	(458,749)
Net reserves and transaction costs on sales of servicing rights	(15,297)	(9,051)	(36,867)	(47,007)
Changes in fair value of mortgage servicing rights	\$ 92,909	\$ 236,780	\$ (219,730)	\$ 434,912

During the nine months ended September 30, 2023 and 2022, the Company sold MSRs on loans with an aggregate UPB of approximately \$99.2 billion and \$101.3 billion, respectively, for proceeds of approximately \$1.3 billion and \$1.2 billion, respectively. In addition, during the nine months ended September 30, 2023, the Company sold excess servicing cash flows on certain agency loans with a total UPB of approximately \$78.1 billion for proceeds of approximately \$428.7 million. In connection with these sales, the Company recorded a net \$36.9 million and \$47.0 million, respectively, for its estimated obligation for protection provisions granted to the buyers and transaction costs, which is reflected as part of the change in fair value of MSRs in the condensed consolidated statements of operations. There were no excess servicing cash flow sales during the nine months ended September 30, 2022.

The following table summarizes the loan servicing income recognized during the three and nine months ended September 30, 2023 and 2022, respectively (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Contractual servicing fees	\$ 196,509	\$ 193,715	\$ 600,960	\$ 567,040
Late, ancillary and other fees	3,919	3,066	11,245	7,807
Loan servicing income	\$ 200,428	\$ 196,781	\$ 612,205	\$ 574,847

The key unobservable inputs used in determining the fair value of the Company's MSRs were as follows at September 30, 2023 and December 31, 2022, respectively:

	September 30, 2023			December 31, 2022		
	Range		Weighted Average	Range		Weighted Average
Discount rates	10.0 % —	15.0 %	10.7 %	9.5 % —	15.0 %	10.1 %
Annual prepayment speeds	5.8 % —	17.4 %	7.5 %	6.7 % —	14.0 %	7.9 %
Cost of servicing	\$74 —	\$148	\$83	\$75 —	\$108	\$80

The hypothetical effect of adverse changes in these key assumptions would result in a decrease in fair values as follows at September 30, 2023 and December 31, 2022, respectively, (in thousands):

	September 30, 2023	December 31, 2022
Discount rate:		
+ 10% adverse change – effect on value	\$ (191,334)	\$ (183,972)
+ 20% adverse change – effect on value	(366,263)	(353,120)
Prepayment speeds:		
+ 10% adverse change – effect on value	\$ (129,529)	\$ (143,483)
+ 20% adverse change – effect on value	(251,015)	(277,992)
Cost of servicing:		
+ 10% adverse change – effect on value	\$ (36,043)	\$ (39,362)
+ 20% adverse change – effect on value	(72,085)	(78,724)

These sensitivities are hypothetical and should be used with caution. As the table demonstrates, the Company's methodology for estimating the fair value of MSRs is highly sensitive to changes in assumptions. For example, actual prepayment experience may differ, and any difference may have a material effect on MSR fair value. Changes in fair value resulting from changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in the table above, the effect of a variation in a particular assumption of the fair value of the MSRs is calculated without changing any other assumption; in reality, changes in one factor may be associated with changes in another (for example, decreases in market interest rates may indicate higher prepayments; however, this may be partially offset by lower prepayments due to other factors such as a borrower's diminished opportunity to refinance, or lower discount rates as investors may accept lower returns in a lower interest rate environment), which may magnify or counteract the sensitivities. Thus, any measurement of MSR fair value is limited by the conditions existing and assumptions made as of a particular point in time. Those assumptions may not be appropriate if they are applied to a different point in time.

NOTE 6 – WAREHOUSE AND OTHER SECURED LINES OF CREDIT
Warehouse Lines of Credit

The Company had the following warehouse lines of credit with financial institutions as of September 30, 2023 and December 31, 2022, respectively, (in thousands):

Warehouse Lines of Credit ¹	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	Total Advanced Against Line as of September 30, 2023	Total Advanced Against Line as of December 31, 2022
Master Repurchase Agreement ("MRA")				
Funding Limits as of September 30, 2023:				
\$400 Million ²	8/21/2012	1/18/2023	\$ —	\$ 188,607
\$200 Million ³	3/30/2018	11/6/2023	24,945	170,478
\$300 Million ³	8/19/2016	11/8/2023	8,771	235,804
\$250 Million	2/26/2016	12/21/2023	215,798	193,023
\$1.0 Billion	7/10/2012	1/8/2024	182,116	521,440
\$2.5 Billion	12/31/2014	2/21/2024	1,085,273	1,588,787
\$500 Million	3/7/2019	2/21/2024	239,790	236,462
\$250 Million	4/23/2021	4/23/2024	160,894	185,502
\$400 Million	2/29/2012	5/17/2024	362,704	142,570
\$1.0 Billion	7/24/2020	8/29/2024	811,030	642,544
\$200 Million	10/30/2020	11/5/2024	66,775	97,216
\$3.0 Billion	5/9/2019	11/28/2025	1,908,804	2,239,591
Early Funding:				
\$600 Million (ASAP + - see below)		No expiration	—	—
\$750 Million (EF - see below)		No expiration	—	1,968
			\$ 5,066,900	\$ 6,443,992

All interest rates are variable based upon a spread to SOFR or other alternative index.

¹ An aggregate of \$650.0 million of these line amounts is committed as of September 30, 2023.

² This warehouse line of credit agreement expired pursuant to its terms prior to September 30, 2023.

³ This warehouse line of credit agreement expired pursuant to its terms subsequent to September 30, 2023.

We are an approved lender for loan early funding facilities with Fannie Mae through its As Soon As Pooled Plus ("ASAP+") program and Freddie Mac through its Early Funding ("EF") program. As an approved lender for these early funding programs, we enter into an agreement to deliver closed and funded one-to-four family residential mortgage loans, each secured by related mortgages and deeds of trust, and receive funding in exchange for such mortgage loans in some cases before we have grouped them into pools to be securitized by Fannie Mae or Freddie Mac. All such mortgage loans must adhere to a set of eligibility criteria to be acceptable. As of September 30, 2023, no amounts were outstanding through the ASAP+ program or the EF program.

As of September 30, 2023, the Company had pledged mortgage loans at fair value as collateral under the above warehouse lines of credit. The above agreements also contain covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income, as defined in the agreements. The Company was in compliance with all of these covenants as of September 30, 2023.

MSR Facilities

In the third quarter of 2022, the Company's consolidated subsidiary, UWM, entered into a Loan and Security Agreement with Citibank, N.A., providing UWM with up to \$1.5 billion of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "MSR Facility"). The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitization by Fannie Mae or Freddie Mac that meet certain criteria. Available borrowings under the MSR Facility are based on the fair market value of the collateral. Borrowings under the MSR Facility will bear interest based on SOFR plus an applicable margin. The MSR Facility

contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of September 30, 2023, the Company was in compliance with all applicable covenants. The MSR Facility has a maturity date of November 5, 2024. As of September 30, 2023 and December 31, 2022, \$250.0 million and \$750.0 million, respectively, was outstanding under the MSR Facility.

In the first quarter of 2023, the Company's consolidated subsidiary, UWM, entered into a Credit Agreement with Goldman Sachs Bank USA, providing UWM with up to \$500.0 million of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "GNMA MSR facility"). The GNMA MSR facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitization by Ginnie Mae that meet certain criteria. Available borrowings under the GNMA MSR facility are based on the fair market value of the collateral. Borrowings under the GNMA MSR facility will bear interest based on SOFR plus an applicable margin. The GNMA MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of September 30, 2023, the Company was in compliance with all applicable covenants. The GNMA MSR facility has a maturity date of March 20, 2025. As of September 30, 2023, \$250.0 million was outstanding under the GNMA MSR facility.

Outstanding borrowings under the MSR facilities are reported within the "Secured lines of credit" financial statement line item on the condensed consolidated balance sheets.

NOTE 7 – OTHER BORROWINGS

Senior Notes

The following is a summary of the senior unsecured notes issued by the Company (in thousands):

Facility Type	Maturity Date	Interest Rate	Outstanding Principal at September 30, 2023	Outstanding Principal at December 31, 2022
2025 Senior Unsecured Notes ⁽¹⁾	11/15/2025	5.50 %	\$ 800,000	\$ 800,000
2029 Senior Unsecured Notes ⁽²⁾	04/15/2029	5.50 %	700,000	700,000
2027 Senior Unsecured Notes ⁽³⁾	06/15/2027	5.75 %	500,000	500,000
Total Senior Unsecured Notes			\$ 2,000,000	\$ 2,000,000
Weighted average interest rate			5.56 %	5.56 %

⁽¹⁾ Unamortized debt issuance costs and discounts are presented net against the 2025 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$4.7 million and \$6.3 million as of September 30, 2023 and December 31, 2022, respectively.

⁽²⁾ Unamortized debt issuance costs and discounts are presented net against the 2029 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$4.8 million and \$5.5 million as of September 30, 2023 and December 31, 2022, respectively.

⁽³⁾ Unamortized debt issuance costs and discounts are presented net against the 2027 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$3.2 million and \$3.9 million as of September 30, 2023 and December 31, 2022, respectively.

2025 Senior Notes

On November 3, 2020, the Company's consolidated subsidiary, UWM, issued \$800.0 million in aggregate principal amount of senior unsecured notes due November 15, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2025 Senior Notes is due semi-annually on May 15 and November 15 of each year.

On or after November 15, 2022, the Company may, at its option, redeem the 2025 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: November 15, 2022 at 102.750%; November 15, 2023 at 101.375%; or November 15, 2024 until maturity at 100%, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

2029 Senior Notes

On April 7, 2021, the Company's consolidated subsidiary, UWM, issued \$700.0 million in aggregate principal amount of senior unsecured notes due April 15, 2029 (the "2029 Senior Notes"). The 2029 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2029 Senior Notes is due semi-annually on April 15 and October 15 of each year.

On or after April 15, 2024, the Company may, at its option, redeem the 2029 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: April 15, 2024 at 102.750%; April 15, 2025 at 101.375%; or April 15, 2026 until maturity at 100%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to April 15, 2024, the Company may, at its option, redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, the Company may, at its option, redeem the 2029 Senior Notes prior to April 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

2027 Senior Notes

On November 22, 2021, the Company's consolidated subsidiary, UWM, issued \$500.0 million in aggregate principal amount of senior unsecured notes due June 15, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes accrue interest at a rate of 5.750% per annum. Interest on the 2027 Senior Notes is due semi-annually on June 15 and December 15 of each year.

On or after June 15, 2024, the Company may, at its option, redeem the 2027 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: June 15, 2024 at 102.875%; June 15, 2025 at 101.438%; or June 15, 2026 until maturity at 100.000%, of the principal amount of the 2027 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to June 15, 2024, the Company may, at its option, redeem up to 40% of the aggregate principal amount of the 2027 Senior Notes originally issued at a redemption price of 105.75% of the principal amount of the 2027 Senior Notes redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, the Company may, at its option, redeem the 2027 Senior Notes prior to June 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

The indentures governing the 2025, 2029 and 2027 Senior Notes contain operating covenants and restrictions, subject to a number of exceptions and qualifications. The Company was in compliance with the terms of the indentures as of September 30, 2023.

Revolving Credit Facility

On August 8, 2022, UWM entered into the Revolving Credit Agreement (the "Revolving Credit Agreement") between UWM, as the borrower, and SFS Corp., as the lender. The Revolving Credit Agreement provides for, among other things, a \$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility had an initial one-year term and automatically renews for successive one-year periods unless terminated by either party. Amounts borrowed under the Revolving Credit Facility may be borrowed, repaid and reborrowed from time to time, and accrue interest at the Applicable Prime Rate (as defined in the Revolving Credit Agreement). UWM may utilize the Revolving Credit Facility in connection with: (i) operational and investment activities, including but not limited to funding and/or advances related to (a) servicing rights, (b) 'scratch and dent' loans, (c) margin requirements, and (d) equity in loans held for sale; and (ii) general corporate purposes.

The Revolving Credit Agreement contains certain financial and operating covenants and restrictions, subject to a number of exceptions and qualifications, and the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. The Company was in compliance with these covenants as of September 30, 2023. No amounts were outstanding under the Revolving Credit Facility as of September 30, 2023 or December 31, 2022.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Representations and Warranties Reserve

Loans sold to investors which the Company believes met investor and agency underwriting guidelines at the time of sale may be subject to repurchase by the Company in the event of specific default by the borrower or upon subsequent discovery that underwriting or documentation standards were not explicitly satisfied. The Company may, upon mutual

agreement, indemnify the investor against future losses on such loans or be subject to other guaranty requirements and subject to loss. The Company initially records its exposure under such guarantees at estimated fair value upon the sale of the related loan, within "Accounts payable, accrued expenses, and other" as well as within "loan production income," and continues to evaluate its on-going exposures in subsequent periods. The reserve is estimated based on the Company's assessment of its obligations, including expected losses, expected frequency, the overall potential remaining exposure, as well as an estimate for a market participant's potential readiness to stand by to perform on such obligations. The Company repurchased \$40.4 million and \$91.3 million in UPB of loans during the three months ended September 30, 2023 and 2022, respectively, and \$201.9 million and \$279.9 million in UPB of loans during the nine months ended September 30, 2023 and 2022, respectively, related to its representations and warranties obligations.

The activity of the representations and warranties reserve was as follows (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Balance, beginning of period	\$ 59,093	\$ 70,095	\$ 60,495	\$ 86,762
Additions	12,181	24,138	39,811	37,877
Losses realized, net	(8,221)	(23,798)	(37,253)	(54,204)
Balance, end of period	\$ 63,053	\$ 70,435	\$ 63,053	\$ 70,435

Commitments to Originate Loans

As of September 30, 2023, the Company had agreed to extend credit to potential borrowers for approximately \$23.8 billion. These contracts represent off-balance sheet credit risk where the Company may be required to extend credit to these borrowers based on the prevailing interest rates and prices at the time of execution.

NOTE 9 – VARIABLE INTEREST ENTITIES

Upon completion of the business combination transaction described in Note 1, the Company became the managing member of Holdings LLC with 100% of the management and voting power in Holdings LLC. In its capacity as managing member, the Company has the sole authority to make decisions on behalf of Holdings LLC and bind Holdings LLC to signed agreements. Further, Holdings LLC maintains separate capital accounts for its investors as a mechanism for tracking earnings and subsequent distribution rights.

Management concluded that the Company is Holdings LLC's primary beneficiary. As the primary beneficiary, the Company consolidates the results and operations of Holdings LLC for financial reporting purposes under the variable interest entity ("VIE") consolidation model.

The Company's relationship with Holdings LLC results in no recourse to the general credit of the Company. Holdings LLC and its consolidated subsidiaries represent the Company's sole investment. The Company shares in the income and losses of Holdings LLC in direct proportion to the Company's ownership interest. Further, the Company has no contractual requirement to provide financial support to Holdings LLC.

The Company's financial position, performance and cash flows effectively represent those of Holdings LLC and its consolidated subsidiaries as of and for the three and nine months ended September 30, 2023 and 2022.

In 2021, UWM began selling some of the mortgage loans that it originates through private label securitization transactions. There have been no loan sales through UWM's private label securitization transactions since 2021. In executing these transactions, the Company sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The securitization entities are funded through the issuance of beneficial interests in the securitized assets. The beneficial interests take the form of trust certificates, some of which are sold to investors and some of which may be retained by the Company due to regulatory requirements. Retained beneficial interests consist of a 5% vertical interest in the assets of the securitization trusts, in order to comply with the risk retention requirements applicable to certain of the Company's securitization transactions. The Company has elected the fair value option for subsequently measuring the retained beneficial interests in the securitization trusts, and these investments are presented as "Investment securities at fair value, pledged" in the condensed consolidated balance sheet as of September 30, 2023 and December 31, 2022. Changes in the fair value of these retained beneficial interests are reported as part of "Other expense (income)" in the condensed consolidated statements of operations. The Company also retains the servicing rights on the securitized mortgage loans. The Company has accounted for these transactions as sales of financial assets.

The securitization trusts that purchase the mortgage loans from the Company and securitize those mortgage loans are VIEs, and the Company holds variable interests in certain of these entities. Because the Company does not have the obligation to absorb the VIEs' losses or the right to receive benefits from the VIEs that could potentially be significant to the VIEs, the Company is not the primary beneficiary of these securitization trusts and is not required to consolidate these VIEs. The Company separately entered into sale and repurchase agreements for a portion of the retained beneficial interests in the securitization trusts, which have been accounted for as borrowings against investment securities. As of September 30, 2023, \$102.5 million of the \$104.5 million of investment securities at fair value have been pledged as collateral for these borrowings against investment securities. The outstanding principal balance of these borrowings was approximately \$97.3 million with remaining maturities ranging from approximately one to five months as of September 30, 2023, and interest rates based on SOFR plus a spread. The Company's maximum exposure to loss in these non-consolidated VIEs is limited to the retained beneficial interests in the securitization trusts.

NOTE 10 – NON-CONTROLLING INTERESTS

The non-controlling interest balance represents the economic interest in Holdings LLC held by SFS Corp. The following table summarizes the ownership of units in Holdings LLC as of:

	September 30, 2023		December 31, 2022	
	Common Units	Ownership Percentage	Common Units	Ownership Percentage
UWM Holdings Corporation ownership of Class A Common Units	93,654,269	5.87 %	92,575,974	5.81 %
SFS Corp. ownership of Class B Common Units	1,502,069,787	94.13 %	1,502,069,787	94.19 %
Balance at end of period	1,595,724,056	100.00 %	1,594,645,761	100.0 %

The non-controlling interest holder has the right to exchange Class B Common Units, together with a corresponding number of shares of our Class D common stock or Class C common stock (together referred to as "Stapled Interests"), for, at the Company's option, (i) shares of the Company's Class B common stock or Class A common stock or (ii) cash from a substantially concurrent public offering or private sale (based on the price of the Company's Class A common stock). As such, future exchanges of Stapled Interests by the non-controlling interest holder will result in a change in ownership and reduce or increase the amount recorded as non-controlling interest and increase or decrease additional paid-in-capital or retained earnings when Holdings LLC has positive or negative net assets, respectively. As of September 30, 2023, SFS Corp. has not exchanged any Stapled Interests.

During the nine months ended September 30, 2023, the Company issued 1,078,295 shares of Class A common stock, net of withholdings, which primarily related to the vesting of RSUs under its stock-based compensation plan and grants to the Company's non-employee directors. During the nine months ended September 30, 2022, the Company issued 963,120 shares of Class A common stock which primarily related to the vesting of RSUs under its stock-based compensation plan and grants to the Company's non-employee directors. This resulted in an equivalent increase in the number of Class A Common Units of Holdings LLC held by the Company, and a re-measurement of the non-controlling interest in Holdings LLC due to the change in relative ownership of Holdings LLC with no change in control. The impact of the re-measurement of the non-controlling interest is reflected in the condensed consolidated statement of changes in equity.

NOTE 11 – REGULATORY NET WORTH REQUIREMENTS

Certain secondary market agencies and state regulators require UWM to maintain minimum net worth and capital requirements to remain in good standing with the agencies. Noncompliance with an agency's requirements can result in such agency taking various remedial actions up to and including terminating UWM's ability to sell loans to and service loans on behalf of the respective agency.

UWM is required to maintain certain minimum net worth, minimum liquidity, and minimum capital ratio requirements, including those established by HUD, Ginnie Mae, Freddie Mac and Fannie Mae. As of September 30, 2023, the most restrictive of these requirements require UWM to maintain a minimum net worth of \$794.3 million, liquidity of \$273.4 million, and a minimum capital ratio of 6%. At September 30, 2023, UWM was in compliance with these requirements.

NOTE 12 – FAIR VALUE MEASUREMENTS

Fair value is defined under U.S. GAAP as the price that would be received if an asset were sold or the price that would be paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. Required disclosures include classification of fair value measurements within a three-level hierarchy (Level 1, Level 2 and Level 3). Classification of a fair value measurement within the hierarchy is dependent on the classification and significance of the inputs used to determine the fair value measurement. Observable inputs are those that are observed, implied from, or corroborated with

externally available market information. Unobservable inputs represent the Company's estimates of market participants' assumptions.

Fair value measurements are classified in the following manner:

Level 1—Valuation is based on quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2—Valuation is based on either observable prices for identical assets or liabilities in inactive markets, observable prices for similar assets or liabilities, or other inputs that are derived directly from, or through correlation to, observable market data at the measurement date.

Level 3—Valuation is based on the Company's or others' models using significant unobservable assumptions at the measurement date that a market participant would use.

In determining fair value measurements, the Company uses observable inputs whenever possible. The level of a fair value measurement within the hierarchy is dependent on the lowest level of input that has a significant impact on the measurement as a whole. If quoted market prices are available at the measurement date or are available for similar instruments, such prices are used in the measurements. If observable market data is not available at the measurement date, judgement is required to measure fair value.

The following is a description of measurement techniques for items recorded at fair value on a recurring basis. There were no material items recorded at fair value on a nonrecurring basis as of September 30, 2023 or December 31, 2022.

Mortgage loans at fair value: The Company has elected the fair value option for mortgage loans. Accordingly, the fair values of mortgage loans are based on valuation models that use the market price for similar loans sold in the secondary market. As these prices are derived from market observable inputs, they are categorized as Level 2.

IRLCs: The Company's interest rate lock commitments are derivative instruments that are recorded at fair value based on valuation models that use the market price for similar loans sold in the secondary market. The IRLCs are then subject to an estimated loan funding probability, or "pullthrough rate." Given the significant and unobservable nature of the pullthrough rate assumption, IRLC fair value measurements are classified as Level 3.

MSRs: The fair value of MSRs is determined using a valuation model that calculates the present value of estimated future net servicing cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income, and ancillary income and late fees, among others. These estimates are supported by market and economic data collected from various outside sources. These fair value measurements are classified as Level 3.

FLSCs: The Company enters into forward loan sales commitments to sell certain mortgage loans which are recorded at fair value based on valuation models. The Company's expectation of the amount of its interest rate lock commitments that will ultimately close is a factor in determining the position. The valuation models utilize the fair value of related mortgage loans determined using observable market data, and therefore, the fair value measurements of these commitments are categorized as Level 2.

Investment securities at fair value, pledged: The Company occasionally sells mortgage loans that it originates through private label securitization transactions. In executing these securitizations, the Company sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The Company has elected the fair value option for subsequently measuring the retained beneficial interests in the securitization trusts. The fair value of these investment securities is primarily based on observable market data and therefore categorized as Level 2.

Public and Private Warrants: The fair value of Public Warrants is based on the price of trades of these securities in active markets and therefore categorized as Level 1. The fair value of the Private Warrants is based on observable market data and therefore categorized as Level 2.

Financial Instruments - Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following are the major categories of financial assets and liabilities measured at fair value on a recurring basis (in thousands):

Description	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Mortgage loans at fair value	\$ —	\$ 5,560,039	\$ —	\$ 5,560,039
IRLCs	—	—	7,037	7,037
FLSCs	—	85,754	—	85,754
Investment securities at fair value, pledged	—	104,526	—	104,526
Mortgage servicing rights	—	—	4,352,219	4,352,219
Total assets	\$ —	\$ 5,750,319	\$ 4,359,256	\$ 10,109,575
Liabilities:				
IRLCs	\$ —	\$ —	\$ 35,518	\$ 35,518
FLSCs	—	3,364	—	3,364
Public and Private Warrants	1,381	1,644	—	3,025
Total liabilities	\$ 1,381	\$ 5,008	\$ 35,518	\$ 41,907

Description	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Mortgage loans at fair value	\$ —	\$ 7,134,960	\$ —	\$ 7,134,960
IRLCs	—	—	7,872	7,872
FLSCs	—	74,997	—	74,997
Investment securities at fair value, pledged	—	113,290	—	113,290
Mortgage servicing rights	—	—	4,453,261	4,453,261
Total assets	\$ —	\$ 7,323,248	\$ 4,461,133	\$ 11,784,381
Liabilities:				
IRLCs	\$ —	\$ —	\$ 32,294	\$ 32,294
FLSCs	—	17,454	—	17,454
Public and Private warrants	1,328	445	—	1,773
Total liabilities	\$ 1,328	\$ 17,899	\$ 32,294	\$ 51,521

The following table presents quantitative information about the inputs used in recurring Level 3 fair value financial instruments and the fair value measurements for IRLCs:

Unobservable Input - IRLCs	September 30, 2023	December 31, 2022
Pullthrough rate (weighted avg)	80 %	77 %

Refer to *Note 5 - Mortgage Servicing Rights* for further information on the unobservable inputs used in measuring the fair value of the Company's MSR and for the roll-forward of MSR for the three and nine months ended September 30, 2023.

Level 3 Issuances and Transfers

The Company enters into IRLCs which are considered derivatives. If the contract converts to a loan, the implied value, which is solely based upon interest rate changes, is incorporated in the basis of the fair value of the loan. If the IRLC does not convert to a loan, the basis is reduced to zero as the contract has no continuing value. The Company does not track the basis of the individual IRLCs that convert to a loan, as that amount has no relevance to the presented condensed consolidated financial statements.

Other Financial Instruments

The following table presents the carrying amounts and estimated fair value of the Company's financial liabilities that are not measured at fair value on a recurring or nonrecurring basis (in thousands):

	September 30, 2023		December 31, 2022	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2025 Senior Notes, due 11/15/25	\$ 795,346	\$ 760,960	\$ 793,703	\$ 724,928
2029 Senior Notes, due 4/15/29	695,151	590,688	694,496	565,607
2027 Senior Notes, due 6/15/27	496,787	451,845	496,137	430,920
	<u>\$ 1,987,284</u>	<u>\$ 1,803,493</u>	<u>\$ 1,984,336</u>	<u>\$ 1,721,455</u>

The fair value of the 2025, 2029 and 2027 Senior Notes was estimated using Level 2 inputs, including observable trading information from independent sources.

Due to their nature and respective terms (including the variable interest rates on warehouse and other lines of credit and borrowings against investment securities), the carrying value of cash and cash equivalents, receivables, payables, equipment notes payable, borrowings against investment securities and warehouse and other lines of credit approximate their fair value as of September 30, 2023 and December 31, 2022, respectively.

NOTE 13 – RELATED PARTY TRANSACTIONS

In the normal course of business, the Company engages in the following significant related party transactions:

- The Company’s corporate campus is located in buildings and on land that are owned by entities controlled by the Company’s founder (who is a current member of the Board of Directors) and its CEO and leased by the Company from these entities. The Company also makes leasehold improvements to these properties for the benefit of the Company, for which the Company is responsible pursuant to the terms of the lease agreements;
- Legal services are provided to the Company by a law firm in which the Company’s founder is a partner;
- The Company leases aircraft owned by entities controlled by the Company’s CEO to facilitate travel of Company executives for business purposes. Our executive officers (other than the CEO) may, from time to time, be authorized by the CEO to use the aircraft for personal trips;
- Employee lease agreements, pursuant to which the Company’s team members provide certain administrative services to entities controlled by the Company’s founder and its CEO in exchange for fees paid by these entities to the Company.

For the three months ended September 30, 2023 and 2022, the Company made net payments of approximately \$5.1 million and \$4.5 million, respectively, to various companies related through common ownership. Such related party payments were comprised of, (i) with respect to the three months ended September 30, 2023, approximately \$4.9 million in rent and other occupancy related fees and \$0.2 million in legal fees and (ii) with respect to the three months ended September 30, 2022, approximately \$4.1 million in rent and other occupancy related fees, \$0.2 million in legal fees and \$0.2 million in other general and administrative expenses. Additionally, the Company made payments of \$0.1 million to unrelated third parties for pilots and ancillary services related to usage of the aircraft for each of the three months ended September 30, 2023 and 2022.

For the nine months ended September 30, 2023 and 2022, the Company made net payments of approximately \$15.8 million and \$20.1 million, respectively, to various companies related through common ownership. Such related party payments were comprised of, (i) with respect to the nine months ended September 30, 2023, approximately \$15.1 million in rent and other occupancy related fees, \$0.5 million in legal fees, and \$0.2 million in other general and administrative expenses and (ii) with respect to the nine months ended September 30, 2022, approximately \$19.1 million in rent and other occupancy related fees, \$0.5 million in legal fees and \$0.5 million in other general and administrative expenses. Additionally, the Company made payments of \$0.2 million and \$0.3 million to unrelated third parties for pilots and ancillary services related to usage of the aircraft for the nine months ended September 30, 2023 and 2022, respectively.

UWM entered into a \$500.0 million unsecured Revolving Credit Facility with SFS Corp. as the lender during the third quarter of 2022. Refer to *Note 7 - Other borrowings* for further details.

NOTE 14 – INCOME TAXES

UWM is treated as a single member LLC owned by Holdings LLC. As a single member LLC, all taxable income or loss generated by UWM will pass through and be included in the income or loss of Holdings LLC. Holdings LLC is treated as a partnership for federal and most state and local income tax jurisdictions. Due to its partnership tax treatment, Holdings LLC is not subject to U.S. federal or most state and local incomes taxes. Any taxable income or loss generated by Holdings LLC after the Company’s acquisition of its portion of Holdings LLC is passed through and included in the taxable income or loss of its

members, including the Company. The Company is a C Corporation and is subject to U.S. federal, state and local income taxes with respect to its attributable share of any taxable income of Holdings LLC.

The tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of its annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in such period. The quarterly tax provision and estimate of the Company's annual effective tax rate are subject to variation due to several factors including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, changes in how the Company conducts business, and tax law developments.

For the three months ended September 30, 2023 and 2022, the Company's effective tax rate was 0.24% and 1.44%, respectively. For the nine months ended September 30, 2023 and 2022, the Company's effective tax rate was 0.24% and 0.95% respectively. The variations between the Company's effective tax rate and the U.S. statutory rate are primarily due to the portion (approximately 94%) of the Company's earnings attributable to non-controlling interests.

The Company recognizes deferred tax assets to the extent it believes these assets are more-likely-than-not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

The Company recognizes uncertain income tax positions when it is not more-likely-than-not that a tax position will be sustained upon examination. As of September 30, 2023, the Company has not recognized any uncertain tax positions. The Company accrues interest and penalties related to uncertain tax positions as a component of the income tax provision. No interest or penalties were recognized in income tax expense for the three and nine months ended September 30, 2023 or 2022. The Company may be subject to potential examination by U.S. federal or state jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income amounts in various tax jurisdictions and compliance with U.S. federal or state tax laws. Tax years 2019 and forward remain open under applicable statute of limitations with relevant taxing authorities.

NOTE 15 – STOCK-BASED COMPENSATION

The following is a summary of RSU activity for the three and nine months ended September 30, 2023 and 2022:

	For the three months ended September 30,			
	2023		2022	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested - beginning of period	6,195,404	\$ 5.20	1,745,676	\$ 7.75
Granted	105,216	6.56	2,451,375	3.60
Vested	(540,475)	3.61	(36,180)	7.75
Forfeited	(106,883)	5.05	(74,283)	5.95
Unvested - end of period	5,653,262	\$ 5.41	4,086,588	\$ 5.53

	For the nine months ended September 30,			
	2023		2022	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested - beginning of period	4,005,801	\$ 5.30	2,812,320	\$ 7.75
Granted	3,371,566	5.73	2,458,883	3.60
Vested	(1,358,083)	6.07	(963,120)	7.72
Forfeited	(366,022)	4.74	(221,495)	7.15
Unvested - end of period	5,653,262	\$ 5.41	4,086,588	\$ 5.53

Stock-based compensation expense recognized for the three months ended September 30, 2023 and 2022 was \$3.9 million and \$2.0 million, respectively. Stock-based compensation expense recognized for the nine months ended September 30, 2023 and 2022 was \$9.9 million and \$5.5 million, respectively. As of September 30, 2023, there was \$23.1

million of unrecognized compensation expense related to unvested awards which is expected to be recognized over a weighted average period of 3.0 years.

NOTE 16 – EARNINGS PER SHARE

As of September 30, 2023, the Company had two classes of economic shares authorized - Class A and Class B common stock. The Company applies the two-class method for calculating earnings per share for Class A common stock and Class B common stock. In applying the two-class method, the Company allocates undistributed earnings equally on a per share basis between Class A and Class B common stock. According to the Company's certificate of incorporation, the holders of the Class A and Class B common stock are entitled to participate in earnings equally on a per-share basis, as if all shares of common stock were of a single class, and in such dividends as may be declared by the Board of Directors. RSUs awarded as part of the Company's stock compensation plan are included in weighted-average Class A shares outstanding in the calculation of basic earnings per share once the RSUs are vested and shares are issued.

Basic earnings per share of Class A common stock and Class B common stock is computed by dividing net income attributable to UWM Holdings Corporation by the weighted-average number of shares of Class A common stock and Class B common stock outstanding during the period. Diluted earnings per share of Class A common stock and Class B common stock is computed by dividing net income by the weighted-average number of shares of Class A common stock or Class B common stock, respectively, outstanding adjusted to give effect to potentially dilutive securities. See *Note 10, Non-Controlling Interests* for a description of the Stapled Interests. Refer to *Note 1 - Organization, Basis of Presentation and Summary of Significant Accounting Policies* - for additional information related to the Company's capital structure.

There was no Class B common stock outstanding as of September 30, 2023 or September 30, 2022.

The following table sets forth the calculation of basic and diluted earnings per share for the three and nine month periods ended September 30, 2023 and 2022 (in thousands, except shares and per share amounts):

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Net income	\$ 300,993	\$ 325,610	\$ 391,174	\$ 994,342
Net income attributable to non-controlling interests	282,762	313,914	377,326	952,350
Net income attributable to UWMC	18,231	11,696	13,848	41,992
Numerator:				
Net income attributable to Class A common shareholders	\$ 18,231	\$ 11,696	\$ 13,848	\$ 41,992
Net income attributable to Class A common shareholders - diluted	\$ 234,712	\$ 11,696	\$ 13,848	\$ 41,992
Denominator:				
Weighted average shares of Class A common stock outstanding - basic	93,290,736	92,571,886	93,107,576	92,441,342
Weighted average shares of Class A common stock outstanding - diluted	1,596,624,780	92,571,886	93,107,576	92,441,342
Earnings per share of Class A common stock outstanding - basic	\$ 0.20	\$ 0.13	\$ 0.15	\$ 0.45
Earnings per share of Class A common stock outstanding - diluted	\$ 0.15	\$ 0.13	\$ 0.15	\$ 0.45

For purposes of calculating diluted earnings per share, it was assumed that the 1,502,069,787 shares of Class D common stock were exchanged for Class B common stock and converted to Class A common stock under the if-converted method, and it was determined that the conversion would be anti-dilutive for all periods except for the three months ended September 30, 2023. Under the if-converted method, all of the Company's net income for the applicable periods is attributable to Class A common shareholders. The net income of the Company under the if-converted method is calculated including an estimated income tax provision which is determined using a blended statutory effective tax rate.

The Public and Private Warrants were not in the money and the triggering events for the issuance of earn-out shares were not met during the three or nine months ended September 30, 2023 or 2022. Therefore, these potentially dilutive securities were excluded from the computation of diluted earnings per share. Unvested RSUs have been considered in the calculations of diluted earnings per share for the three and nine months ended September 30, 2023 and 2022 using the treasury stock method and the impact was either anti-dilutive or immaterial.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent to September 30, 2023, the Board declared a cash dividend of \$0.10 per share on the outstanding shares of Class A common stock. The dividend is payable on January 11, 2024 to stockholders of record at the close of business on December 20, 2023. Additionally, the Board approved a proportional distribution to SFS Corp. of \$150.2 million which is payable on or about January 11, 2024 .

Subsequent to September 30, 2023, the Company sold excess servicing cash flows on certain agency loans with a total UPB of approximately \$16.8 billion for gross proceeds of approximately \$159.9 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis of our financial condition and results of operations should be read in conjunction with, and is qualified in its entirety by reference to, our condensed consolidated financial statements and the related notes and other information included elsewhere in this Quarterly Report on Form 10-Q (the "Form 10-Q"). This discussion and analysis contains forward-looking statements that involve risks and uncertainties which could cause our actual results to differ materially from those anticipated in these forward-looking statements, including, but not limited to, risks and uncertainties discussed under the heading "Cautionary Note Regarding Forward-Looking Statements," in this report and in Part I. Item 1A. "Risk Factors" included in our Form 10-K filed with the SEC on March 1, 2023. Unless otherwise indicated or the context otherwise requires, when used in this Form 10-Q, the term "UWM" means United Wholesale Mortgage, LLC and "the Company," "we," "our" and "us" refer to UWM Holdings Corporation and our subsidiaries.

Business Overview

Despite originating mortgage loans exclusively through the wholesale channel, we are the largest overall residential mortgage lender in the U.S. With a culture of continuous innovation of technology and enhanced client experience, we lead our market by building upon our proprietary and exclusively licensed technology platforms, superior service and focused partnership with the independent mortgage broker community. We originate primarily conforming and government loans across all 50 states and the District of Columbia. For the last eight years, including the year ended December 31, 2022, we have also been the largest wholesale mortgage lender in the U.S. by closed loan volume.

Our mortgage origination business derives revenue from originating, processing and underwriting primarily government-sponsored enterprise ("GSE") conforming mortgage loans, along with FHA, USDA and VA mortgage loans, which are subsequently pooled and sold in the secondary market. The mortgage origination process generally begins with a borrower entering into an IRLC with us that is arranged by an independent mortgage advisor, pursuant to which we have committed to enter into a mortgage at specified interest rates and terms within a specified period of time with a borrower who has applied for a loan and met certain credit and underwriting criteria. As we have committed to providing a mortgage loan at a specific interest rate, we hedge that risk by selling forward-settling mortgage-backed securities and FLSCs in the To Be Announced ("TBA") market. When the mortgage loan is closed, we fund the loan with approximately 2-3%, on average, of our own funds and the remainder with funds drawn under one of our warehouse facilities (except when we opt to "self-warehouse" in which case we use our cash to fund the entire loan). At that point, the mortgage loan is legally owned by our warehouse facility lender and is subject to our repurchase right (other than when we self-warehouse). When we have identified a pool of mortgage loans to sell to the agencies, non-governmental entities, or through our private label securitization transactions, we repurchase loans not already owned by us from our warehouse lender and sell the pool of mortgage loans into the secondary market, but in most instances retain the mortgage servicing rights, or MSR, associated with those loans. We retain MSR for a period of time depending on business and liquidity considerations. When we sell MSR, we typically sell them in the bulk MSR secondary market.

Our unique model, focusing exclusively on the wholesale channel, results in what we believe to be complete alignment with our clients and superior customer service arising from our investments in people and technology that has driven demand for our services from our clients.

New Accounting Pronouncements Not Yet Effective

See Note 1 – Organization, Basis of Presentation and Summary of Significant Accounting Policies to the condensed consolidated financial statements for details of recently issued accounting pronouncements and their expected impact on the Company's condensed consolidated financial statements.

Components of Revenue

We generate revenue from the following three components of the loan origination business: (i) loan production income, (ii) loan servicing income, and (iii) interest income.

Loan production income. Loan production income includes all components related to the origination and sale of mortgage loans, including:

- primary gain, which represents the premium we may receive in excess of the loan principal amount adjusted for previous fair value adjustments, and certain fees charged by investors upon sale of loans into the secondary market. When the mortgage loan is sold into the secondary market, any difference between the proceeds received and the current fair value of the loan is recognized in current period earnings;

- loan origination fees we charge to originate a loan, which generally represent flat, per-loan fee amounts;
- provision for representation and warranty obligations, which represent the reserves initially established at the time of sale for our estimated liabilities associated with the potential repurchase or indemnity of purchasers of loans previously sold due to representation and warranty claims by investors. Included within these reserves are amounts for estimated liabilities for requirements to repay a portion of any premium received from investors on the sale of certain loans if such loans are repaid in their entirety within a specified time period after the sale of the loans;
- the change in fair value of IRLCs, FLSCs and recorded loans on the balance sheet, due to changes in estimated fair value, driven primarily by interest rates but also influenced by other assumptions; and
- capitalization of MSRs, representing the estimated fair value of newly originated MSRs when loans are sold and the associated servicing rights are retained.

Compensation earned by our clients, Independent Mortgage Brokers, is included in the cost of the loans we originate, and therefore netted within loan production income.

Loan servicing income. Loan servicing income consists of the contractual fees earned for servicing the loans and includes ancillary revenue such as late fees and modification incentives. Loan servicing income is recorded upon collection of payments from borrowers.

Interest income. Interest income represents interest earned on mortgage loans at fair value.

Components of Operating Expenses

Our operating expenses include salaries, commissions and benefits, direct loan production costs, marketing, travel and entertainment, depreciation and amortization, servicing costs, general and administrative (including professional services, occupancy and equipment), interest expense, and other expense (income) (primarily related to the increase or decrease, respectively, in the fair value of the liability for the Public and Private Warrants, the increase or decrease, respectively, in the Tax Receivable Agreement liability, and the decrease or increase, respectively, in the fair value of retained investment securities).

Three and Nine Months Ended September 30, 2023 and 2022 Summary

For the three months ended September 30, 2023, we originated \$29.7 billion in residential mortgage loans, which was a decrease of \$3.8 billion, or 11.2%, from the \$33.5 billion of originations during the three months ended September 30, 2022. We reported net income of \$301.0 million during the three months ended September 30, 2023, which was a decrease of \$24.6 million, or 7.6%, compared to net income of \$325.6 million for the three months ended September 30, 2022. Adjusted EBITDA for the three months ended September 30, 2023 was \$112.1 million as compared to a loss of \$1.4 million for the three months ended September 30, 2022. Refer to the "*Non-GAAP Financial Measures*" section below for a detailed discussion of how we define and calculate Adjusted EBITDA.

For the nine months ended September 30, 2023, we originated \$83.9 billion in residential mortgage loans, which was a decrease of \$18.3 billion, or 17.9%, from the \$102.2 billion of originations during the nine months ended September 30, 2022. We reported net income of \$391.2 million during the nine months ended September 30, 2023, which was a decrease of \$603.1 million, or 60.7%, compared to net income of \$994.3 million for the nine months ended September 30, 2022. Adjusted EBITDA for the nine months ended September 30, 2023 was \$378.7 million as compared to \$222.0 million for the nine months ended September 30, 2022. Refer to the "*Non-GAAP Financial Measures*" section below for a detailed discussion of how we define and calculate Adjusted EBITDA.

Non-GAAP Financial Measures

To provide investors with information in addition to our results as determined by U.S. GAAP, we disclose Adjusted EBITDA as a non-GAAP measure, which our management believes provides useful information on our performance to investors. This measure is not a measurement of our financial performance under U.S. GAAP, and it may not be comparable to a similarly titled measure reported by other companies. Adjusted EBITDA has limitations as an analytical tool, and it should not be considered in isolation or as an alternative to revenue, net income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity.

We define Adjusted EBITDA as earnings before interest expense on non-funding debt, provision for income taxes, depreciation and amortization, stock-based compensation expense, the change in fair value of MSR's due to valuation inputs or assumptions, the impact of non-cash deferred compensation expense, the change in fair value of the Public and Private Warrants, the change in the Tax Receivable Agreement liability, and the change in fair value of retained investment securities. We exclude the change in the Tax Receivable Agreement liability, the change in fair value of the Public and Private Warrants, the change in fair value of retained investment securities, and the change in fair value of MSR's due to valuation inputs or assumptions as these represent non-cash, non-realized adjustments to our earnings, which is not indicative of our performance or results of operations. Adjusted EBITDA includes interest expense on funding facilities, which are recorded as a component of interest expense, as these expenses are a direct operating expense driven by loan origination volume. By contrast, interest expense on non-funding debt is a function of our capital structure and is therefore excluded from Adjusted EBITDA. Non-funding debt includes the Company's senior notes, lines of credit, borrowings against investment securities, equipment notes payable, and finance leases.

We use Adjusted EBITDA to evaluate our operating performance, and it is one of the measures used by our management for planning and forecasting future periods. We believe the presentation of Adjusted EBITDA is relevant and useful for investors because it allows investors to view results in a manner similar to the method used by our management and may make it easier to compare our results with other companies that have different financing and capital structures.

The following table presents a reconciliation of net income, the most directly comparable U.S. GAAP financial measure, to Adjusted EBITDA:

(\$ in thousands)	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Net income	\$ 300,993	\$ 325,610	\$ 391,174	\$ 994,342
Interest expense on non-funding debt	42,825	29,786	128,553	89,036
Provision for income taxes	734	4,771	941	9,585
Depreciation and amortization	11,563	11,426	34,674	33,522
Stock-based compensation expense	3,822	1,986	9,871	5,490
Change in fair value of MSR's due to valuation inputs or assumptions ⁽¹⁾	(236,044)	(373,232)	(177,655)	(940,668)
Deferred compensation, net ⁽²⁾	(11,755)	(8,468)	(11,238)	6,909
Change in fair value of Public and Private Warrants ⁽³⁾	(2,021)	(755)	1,252	(7,737)
Change in Tax Receivable Agreement liability ⁽⁴⁾	(3,000)	—	(1,835)	3,200
Change in fair value of investment securities ⁽⁵⁾	4,945	7,484	2,968	28,330
Adjusted EBITDA	\$ 112,062	\$ (1,392)	\$ 378,705	\$ 222,009

(1) Reflects the change ((increase)/decrease) in fair value of MSR's due to changes in valuation inputs or assumptions, including discount rates and prepayment speed assumptions, primarily due to changes in market interest rates. Refer to *Note 5 - Mortgage Servicing Rights* to the condensed consolidated financial statements.

(2) Reflects management incentive bonuses under our long-term incentive plan that are accrued when earned, net of cash payments.

(3) Reflects the change (increase/(decrease)) in the fair value of the Public and Private Warrants.

(4) Reflects the change (increase/(decrease)) in the Tax Receivable Agreement liability. Refer to *Note 1 - Organization, Basis of Presentation and Summary of Significant Accounting Policies* to the condensed consolidated financial statements for additional information related to the Tax Receivable Agreement.

(5) Reflects the change (decrease/(increase)) in the fair value of the retained investment securities.

Results of Operations for the Three and Nine Months Ended September 30, 2023 and 2022

(\$ in thousands)	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Revenue				
Loan production income	\$ 288,930	\$ 172,402	\$ 775,111	\$ 852,808
Loan servicing income	200,428	196,781	612,205	574,847
Change in fair value of mortgage servicing rights	92,909	236,780	(219,730)	434,912
Interest income	94,849	78,210	258,324	207,625
Total revenue, net	677,116	684,173	1,425,910	2,070,192
Expenses				
Salaries, commissions and benefits	135,333	135,028	387,716	434,620
Direct loan production costs	36,184	20,498	76,285	72,973
Marketing, travel, and entertainment	20,117	17,730	58,915	51,192
Depreciation and amortization	11,563	11,426	34,674	33,522
General and administrative	44,904	51,649	132,214	129,881
Servicing costs	33,640	37,596	102,160	129,215
Interest expense	93,724	73,136	239,445	191,069
Other expense (income)	(76)	6,729	2,386	23,793
Total expenses	375,389	353,792	1,033,795	1,066,265
Earnings before income taxes	301,727	330,381	392,115	1,003,927
Provision for income taxes	734	4,771	941	9,585
Net income	300,993	325,610	391,174	994,342
Net income attributable to non-controlling interest	282,762	313,914	377,326	952,350
Net income attributable to UWM Holdings Corporation	\$ 18,231	\$ 11,696	\$ 13,848	\$ 41,992

Loan production income

The table below provides details of the composition of our loan production for each of the periods presented:

Loan Production Data: (\$ in thousands)	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Loan origination volume by type				
Purchase:				
Conventional	\$ 16,237,031	\$ 19,246,298	\$ 46,799,855	\$ 47,436,102
Government	8,031,062	7,592,116	22,834,611	17,638,056
Jumbo and other ⁽¹⁾	1,624,824	854,925	3,539,422	4,105,737
Total purchase	\$ 25,892,917	\$ 27,693,339	\$ 73,173,888	\$ 69,179,895
Refinance:				
Conventional	\$ 1,736,055	\$ 3,935,550	\$ 5,695,756	\$ 24,868,645
Government	1,528,848	1,640,127	3,799,714	6,829,588
Jumbo and other ⁽¹⁾	563,813	195,464	1,234,089	1,280,489
Total refinance	3,828,716	5,771,141	10,729,559	32,978,722
Total loan origination volume	\$ 29,721,633	\$ 33,464,480	\$ 83,903,447	\$ 102,158,617
Portfolio metrics				
Average loan amount	\$ 372	\$ 365	\$ 371	\$ 368
Weighted average loan-to-value ratio	82.67 %	82.12 %	83.15 %	78.84 %
Weighted average credit score	738	736	738	738
Weighted average note rate	6.79 %	5.29 %	6.45 %	4.45 %
Percentage of loans sold				
To GSEs	94 %	97 %	95 %	94 %
To other counterparties	6 %	3 %	5 %	6 %
Servicing-retained	95 %	98 %	97 %	97 %
Servicing-released	5 %	2 %	3 %	3 %

⁽¹⁾ Comprised of non-agency jumbo products and non-qualified mortgage products, including home equity lines of credit ("HELOCs") (which in many instances are second liens) and construction loans.

The components of loan production income for the periods presented were as follows:

(\$ in thousands)	For the three months ended September 30,		Change \$	Change %
	2023	2022		
Primary loss	\$ (418,912)	\$ (573,183)	\$ 154,271	(26.9)%
Loan origination fees	82,743	72,214	10,529	14.6 %
Provision for representation and warranty obligations	(12,181)	(9,139)	(3,042)	33.3 %
Capitalization of MSRs	637,280	682,510	(45,230)	(6.6)%
Loan production income	\$ 288,930	\$ 172,402	\$ 116,528	67.6 %
Gain margin ⁽¹⁾	0.97 %	0.52 %	0.45 %	

(\$ in thousands)	For the nine months ended September 30,		Change \$	Change %
	2023	2022		
Primary loss	\$ (1,204,546)	\$ (1,086,842)	\$ (117,704)	10.8 %
Loan origination fees	204,820	221,903	(17,083)	(7.7)%
Provision for representation and warranty obligations	(28,811)	(22,878)	(5,933)	25.9 %
Capitalization of MSRs	1,803,648	1,740,625	63,023	3.6 %
Loan production income	\$ 775,111	\$ 852,808	\$ (77,697)	(9.1)%
Gain margin ⁽¹⁾	0.92 %	0.83 %	0.09 %	

(1) Represents total loan production income divided by total loan origination volume for the applicable period.

Loan production income was \$288.9 million for the three months ended September 30, 2023, an increase of \$116.5 million, or 67.6%, as compared to \$172.4 million for the three months ended September 30, 2022. The increase in loan production income was primarily driven by an increase in gain margin, from 52 basis points for the three months ended September 30, 2022 to 97 basis points for the same period in 2023. Prior year gain margin was impacted by a pricing initiative launched at the beginning of the third quarter of 2022. The increase in gain margin was partially offset by a decrease in loan production volume. Loan production volume decreased \$3.8 billion, or 11.2%, from \$33.5 billion to \$29.7 billion during the three months ended September 30, 2023, as compared to the same period in 2022, as a result of the higher primary mortgage interest rate environment during 2023.

Loan production income was \$775.1 million for the nine months ended September 30, 2023, a decrease of \$77.7 million, or 9.1%, as compared to \$852.8 million for the nine months ended September 30, 2022. The decrease in loan production income was primarily driven by a decrease in loan production volume of \$18.3 billion, or 17.9%, from \$102.2 billion to \$83.9 billion during the nine months ended September 30, 2023, as compared to the same period in 2022, due to lower refinance volume as a result of the higher primary mortgage interest rate environment during 2023, partially offset by an increase in purchase volume despite the higher interest rate environment during the first nine months of 2023. The decrease in loan production income was partially offset by an increase in gain margin from 83 basis points for the nine months ended September 30, 2022 to 92 basis points for the same period in 2023.

Loan servicing income and Servicing costs

The table below summarizes loan servicing income and servicing costs for each of the periods presented (servicing costs include amounts paid to sub-servicers and other direct costs of servicing, but exclude the costs of team members that oversee UWM's servicing operations):

(\$ in thousands)	For the three months ended September 30,		Change \$	Change %
	2023	2022		
Contractual servicing fees	\$ 196,509	\$ 193,715	\$ 2,794	1.4 %
Late, ancillary and other fees	3,919	3,066	853	27.8 %
Loan servicing income	\$ 200,428	\$ 196,781	\$ 3,647	1.9 %
Servicing costs	33,640	37,596	(3,956)	(10.5)%

(\$ in thousands)	For the nine months ended September 30,		Change \$	Change %
	2023	2022		
Contractual servicing fees	\$ 600,960	\$ 567,040	\$ 33,920	6.0 %
Late, ancillary and other fees	11,245	7,807	3,438	44.0 %
Loan servicing income	\$ 612,205	\$ 574,847	\$ 37,358	6.5 %
Servicing costs	102,160	129,215	(27,055)	(20.9)%

(\$ in thousands)	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Average UPB of loans serviced	\$ 282,052,249	\$ 302,454,780	\$ 297,881,002	\$ 307,601,442
Average number of loans serviced	857,235	936,706	914,562	958,257
Weighted average servicing fee as of period end	0.3014 %	0.2795 %	0.3014 %	0.2795 %

Loan servicing income was \$200.4 million for the three months ended September 30, 2023, an increase of \$3.6 million, or 1.9%, as compared to \$196.8 million for the three months ended September 30, 2022. The increase in loan servicing income during the three months ended September 30, 2023 was primarily driven by higher average servicing fees, partially offset by a decline in the average servicing portfolio.

Servicing costs decreased \$4.0 million for the three months ended September 30, 2023 as compared to the same period in 2022 as a result of lower loss mitigation expenses and a decline in the average servicing portfolio.

Loan servicing income was \$612.2 million for the nine months ended September 30, 2023, an increase of \$37.4 million, or 6.5%, as compared to \$574.8 million for the nine months ended September 30, 2022. The increase in loan servicing income during the nine months ended September 30, 2023 was primarily driven by higher average servicing fees, partially offset by a decline in the average servicing portfolio.

Servicing costs decreased \$27.1 million for the nine months ended September 30, 2023 as compared to the same period in 2022 as a result of lower loss mitigation expenses and a decline in the average servicing portfolio.

As of the dates presented below, our loan servicing portfolio consisted of the following:

(\$ in thousands)	September 30, 2023	December 31, 2022
UPB of loans serviced	\$ 281,373,662	\$ 312,454,025
Number of loans serviced	848,793	967,050
MSR portfolio delinquency count (60+ days) as % of total	1.09 %	0.85 %
Weighted average note rate	4.20 %	3.64 %
Weighted average service fee	0.3014 %	0.2862 %

Change in Fair Value of Mortgage Servicing Rights

The change in fair value of MSR's was a net increase of \$92.9 million for the three months ended September 30, 2023 as compared to a net increase of \$236.8 million for the three months ended September 30, 2022. The change in fair value for the three months ended September 30, 2023 was primarily attributable to an increase in fair value of approximately \$236.0 million due to changes in valuation inputs/assumptions, mainly as a result of changes in market interest rates, partially offset by a decline in fair value of approximately \$127.8 million due to realization of cash flows, decay, and other (including loans paid in full) and approximately \$15.3 million of net reserves and transaction costs for bulk MSR sales. The change in fair value for the three months ended September 30, 2022 of approximately \$236.8 million was attributable to an increase of approximately \$373.2 million resulting from changes in valuation inputs/assumptions, partially offset by declines of approximately \$127.4 million due to realization of cash flows, decay, and other (including loans paid in full) and approximately \$9.1 million of reserves and transaction costs for bulk sales of MSR's.

The change in fair value of MSR's was a net decrease of \$219.7 million for the nine months ended September 30, 2023 as compared with a net increase of \$434.9 million for the nine months ended September 30, 2022. The change in fair value for the nine months ended September 30, 2023 was primarily attributable to a decline in fair value of approximately \$360.5 million due to realization of cash flows, decay, and other (including loans paid in full) and approximately \$36.9 million of net reserves and transaction costs for bulk MSR sales and sales of excess servicing cash flows, partially offset by an increase in fair value of approximately \$177.7 million due to changes in valuation inputs/assumptions, mainly as a result of changes in market interest rates. The change in fair value for the nine months ended September 30, 2022 of approximately \$434.9 million was attributable to an increase of approximately \$940.7 million resulting from changes in valuation inputs/assumptions, primarily due to increases in market interest rates, partially offset by declines of approximately \$458.7 million due to realization of cash flows, decay, and other (including loans paid in full) and approximately \$47.0 million of net reserves and transaction costs for bulk MSR sales.

Interest income and Interest expense

For the periods presented below, interest income and the components of and total interest expense were as follows:

(\$ in thousands)	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Interest income	\$ 94,849	\$ 78,210	\$ 258,324	\$ 207,625
Less: Interest expense on funding facilities	50,899	43,350	110,892	102,033
Net interest income	\$ 43,950	\$ 34,860	\$ 147,432	\$ 105,592
Interest expense on non-funding debt	\$ 42,825	\$ 29,786	\$ 128,553	\$ 89,036
Total interest expense	93,724	73,136	239,445	191,069

Net interest income (interest income less interest expense on funding facilities) was \$44.0 million for the three months ended September 30, 2023, an increase of \$9.1 million, or 26%, as compared to \$34.9 million for the three months ended September 30, 2022, as the increase in interest income exceeded the increase in interest expense on funding facilities. Interest income increased due to higher average note rates on loans at fair value and higher average balances of mortgage loans at fair value. Interest expense on funding facilities increased due to higher interest rates on warehouse facilities (all of which are based on variable interest rate benchmarks plus a spread) and higher average warehouse balances, partially offset by higher escrow credits on custodial deposits from warehouse lenders, due to higher short-term interest rates.

Interest expense on non-funding debt was \$42.8 million for the three months ended September 30, 2023, an increase from \$29.8 million for the three months ended September 30, 2022, primarily due to the additional interest expense on the MSR facilities established at the end of the third quarter of 2022 and in the first quarter of 2023.

Net interest income (interest income less interest expense on funding facilities) was \$147.4 million for the nine months ended September 30, 2023, an increase of \$41.8 million, or 40%, as compared to \$105.6 million for the nine months ended September 30, 2022, as the increase in interest income exceeded the increase in interest expense on funding facilities. Interest income increased due to higher average note rates on loans at fair value, partially offset by lower average balances of mortgage loans at fair value. Interest expense on funding facilities increased due to higher interest rates on warehouse facilities (all of

which are based on variable interest rate benchmarks plus a spread), partially offset by lower average warehouse balances and higher escrow credits on custodial deposits from warehouse lenders, due to higher short-term interest rates.

Interest expense on non-funding debt was \$128.6 million for the nine months ended September 30, 2023, an increase from \$89.0 million for the nine months ended September 30, 2022, primarily due to the additional interest expense on the MSR facilities in 2023.

Other costs

Other costs (excluding servicing costs and interest expense, explained above) for the periods presented below were as follows:

(\$ in thousands)	For the three months ended September 30,		Change \$	Change %
	2023	2022		
Salaries, commissions and benefits	\$ 135,333	\$ 135,028	\$ 305	0.2 %
Direct loan production costs	36,184	20,498	15,686	76.5 %
Marketing, travel, and entertainment	20,117	17,730	2,387	13.5 %
Depreciation and amortization	11,563	11,426	137	1.2 %
General and administrative	44,904	51,649	(6,745)	(13.1)%
Other expense (income)	(76)	6,729	(6,805)	(101.1)%
Other expenses	\$ 248,025	\$ 243,060	\$ 4,965	2.0 %

(\$ in thousands)	For the nine months ended September 30,		Change \$	Change %
	2023	2022		
Salaries, commissions and benefits	\$ 387,716	\$ 434,620	\$ (46,904)	(10.8)%
Direct loan production costs	76,285	72,973	3,312	4.5 %
Marketing, travel, and entertainment	58,915	51,192	7,723	15.1 %
Depreciation and amortization	34,674	33,522	1,152	3.4 %
General and administrative	132,214	129,881	2,333	1.8 %
Other expense	2,386	23,793	(21,407)	(90.0)%
Other expenses	\$ 692,190	\$ 745,981	\$ (53,791)	(7.2)%

Other costs were \$248.0 million for the three months ended September 30, 2023, an increase of \$5.0 million, or 2.0%, as compared to \$243.1 million for the three months ended September 30, 2022. The increase in other costs was due to an increase in direct loan production costs of \$15.7 million, primarily due to costs associated with grants under a down payment assistance program launched in 2023 and increased title recording fees. Marketing, travel and entertainment expense increased as we continue to invest in our broker relationships through broker visits and training programs. These increases were partially offset by a decrease in other expense (income) of \$6.8 million primarily due to a decrease in TRA expense, and lower expense associated with the changes in fair value of Public and Private Warrants and retained investment securities. General and administrative expenses decreased \$6.7 million primarily due to lower representations and warranties reserve adjustments.

Other costs were \$692.2 million for the nine months ended September 30, 2023, a decrease of \$53.8 million, or 7.2%, as compared to \$746.0 million for the nine months ended September 30, 2022. The decrease in other costs was primarily due to a decrease in salaries, commissions and benefits of \$46.9 million, or 10.8%, due to a decrease in average team member count and lower incentive compensation due to lower production. The decrease in other expense of \$21.4 million was primarily due to lower expenses associated with the change in fair value of retained investment securities and lower TRA expense, partially offset by higher expense related to the change in fair value of the Public and Private Warrants. These decreases were partially offset by increases in marketing, travel and entertainment expenses of \$7.7 million and direct loan production costs of \$3.3 million primarily due to the same reasons mentioned in the three months analysis above, as well as an increase in general and administrative expense of \$2.3 million primarily due to an increase in occupancy and equipment expense, partially offset by a decrease in aged receivables provisions and representations and warranties reserve adjustments.

Income Taxes

We recorded a \$0.7 million provision for income taxes during the three months ended September 30, 2023, compared to a provision for income taxes of \$4.8 million for the three months ended September 30, 2022. We recorded a \$0.9 million

provision for income taxes during the nine months ended September 30, 2023, compared to a provision for income taxes of \$9.6 million for the nine months ended September 30, 2022. The decrease in income tax provision for the three and nine months ended September 30, 2023, as compared to the same period in 2022, was primarily due to the decrease in pre-tax taxable income attributable to the Company.

Net income

Net income was \$301.0 million for the three months ended September 30, 2023, a decrease of \$24.6 million or 7.6%, as compared to net income of \$325.6 million for the three months ended September 30, 2022. The decrease in net income was primarily the result of a decrease in total revenue, net of \$7.1 million and an increase in total expenses (including income taxes) of \$17.6 million, as further described above.

Net income was \$391.2 million for the nine months ended September 30, 2023, a decrease of \$603.2 million or 60.7%, as compared to net income of \$994.3 million for the nine months ended September 30, 2022. The decrease in net income was primarily the result of a decrease in total revenue, net of \$644.3 million, partially offset by a decrease in total expenses (including income taxes) of \$41.1 million, as further described above.

Net income attributable to the Company of \$18.2 million and \$11.7 million for the three months ended September 30, 2023 and 2022, respectively, and net income attributable to the Company of \$13.8 million and \$42.0 million for the nine months ended September 30, 2023 and 2022, respectively, includes the net income of UWM attributable to the Company due to its approximate 6% ownership interest in Holdings LLC for these periods.

Liquidity and Capital Resources

Overview

Historically, our primary sources of liquidity have included:

- borrowings including under our warehouse facilities and other financing facilities;
- cash flow from operations and investing activities, including:
 - sale or securitization of loans into the secondary market;
 - loan origination fees;
 - servicing fee income;
 - interest income on mortgage loans; and
 - sale of MSR's and excess servicing cash flows.

Historically, our primary uses of funds have included:

- origination of loans;
- retention of MSR's from our loan sales;
- payment of interest expense;
- payment of operating expenses; and
- dividends on, and repurchases of, our Class A common stock and distributions to SFS Corp.

Our consolidated subsidiary, Holdings LLC, will also generally be required from time to time to make pro rata distributions in cash to SFS Corp. in amounts sufficient to cover the taxes on its allocable share of the taxable income of Holdings LLC. We are also subject to contingencies which may have a significant impact on the use of our cash.

To originate and aggregate loans for sale or securitization into the secondary market, we use our own working capital and borrow or obtain funding on a short-term basis primarily through uncommitted and committed warehouse facilities that we have established with large global banks, regional or specialized banks and certain agencies.

We continually evaluate our capital structure and capital resources to optimize our leverage and profitability and take advantage of market opportunities. As part of such evaluation, we regularly review our levels of indebtedness and available equity, our strategic investments, including technology and growth of the wholesale channel, the availability or desirability of

growth through the acquisition of other companies or other mortgage portfolios, the repurchase or redemption of our outstanding indebtedness, or repurchases of our common stock or common stock derivatives.

Loan Funding Facilities

Warehouse facilities

Our warehouse facilities, which are our primary loan funding facilities used to fund the origination of our mortgage loans, are primarily in the form of master repurchase agreements. Loans financed under these facilities are generally financed, on average, at approximately 97% to 98% of the principal balance of the loan, which requires us to fund the remaining 2-3% of the unpaid principal balance from cash generated from our operations. Once closed, the underlying residential mortgage loan is pledged as collateral for the borrowing or advance that was made under these loan funding facilities. In most cases, the loans we originate will remain in one of our warehouse facilities for less than one month, until the loans are pooled and sold. During the time we hold the loans pending sale, we earn interest income from the borrower on the underlying mortgage loan note. This income is partially offset by the interest and fees we have to pay under the warehouse facilities. Interest rates under the warehouse facilities are typically based on a reference interest rate benchmark plus a spread. As of September 30, 2023, all of our warehouse facility agreements had been amended to change the reference interest rate from LIBOR to variants of SOFR or other alternative index.

When we sell or securitize a pool of loans, the proceeds we receive from the sale or securitization of the loans are used to pay back the amounts we owe on the warehouse facilities. The remaining funds received then become available to be re-advanced to originate additional loans. We are dependent on the cash generated from the sale or securitization of loans to fund future loans and repay borrowings under our warehouse facilities. Delays or failures to sell or securitize loans in the secondary market could have an adverse effect on our liquidity position.

From a cash flow perspective, the vast majority of cash received from mortgage originations occurs at the point the loans are sold or securitized into the secondary market. The vast majority of servicing fee income relates to the retained servicing fee on the loans, where cash is received monthly over the life of the loan and is typically a product of the borrowers' current unpaid principal balance multiplied by the weighted average service fee. For a given mortgage loan, servicing revenue from the retained servicing fee declines over time as the principal balance of the loan is reduced.

The amount of financing advanced to us under our warehouse facilities, as determined by agreed upon advance rates, may be less than the stated advance rate depending, in part, on the fair value of the mortgage loans securing the financings and premium we pay the broker. Each of our warehouse facilities allows the bank extending the advances to evaluate regularly the market value of the underlying loans that are serving as collateral. If a bank determines that the value of the collateral has decreased, the bank can require us to provide additional collateral (e.g., initiate a margin call) or reduce the amount outstanding with respect to the corresponding loan. Our inability to satisfy the request could result in the termination of the facility and, depending on the terms of our agreements, possibly result in a default being declared under our other warehouse facilities.

Warehouse lenders generally conduct daily evaluations of the adequacy of the underlying collateral for the warehouse loans based on the fair value of the mortgage loans. As the loans are generally financed at 97% to 98% of principal balance and our loans are typically outstanding on warehouse lines for short periods (e.g., less than one month), significant increases in market interest rates would be required for us to experience margin calls or requirements to reduce the amount outstanding with respect to the corresponding loan from a majority of our warehouse lenders. Four of our warehouse lines advance based on the fair value of the loans, rather than principal balance. For those lines, we exchange collateral for modest changes in value. As of September 30, 2023, there were no outstanding exchanges of collateral.

The amount owed and outstanding on our warehouse facilities fluctuates based on our origination volume, the amount of time it takes us to sell the loans we originate, our cash on hand, and our ability to obtain additional financing. From time to time, we will increase or decrease the size of the lines to reflect anticipated increases or decreases in volume, strategies regarding the timing of sales of mortgages to the GSEs or secondary markets and costs associated with not utilizing the lines. We reserve the right to arrange for the early payment of outstanding loans and advances from time to time. As we accumulate loans, a significant portion of our total warehouse facilities may be utilized to fund loans.

The table below reflects the current line amounts of our principal warehouse facilities and the amounts advanced against those lines as of September 30, 2023:

Facility Type	Collateral	Line Amount as of September 30, 2023 ¹	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	Total Advanced Against Line as of September 30, 2023 (in thousands)
MRA Funding:					
Master Repurchase Agreement	Mortgage Loans	\$200 Million ²	3/30/2018	11/6/2023	\$ 24,945
Master Repurchase Agreement	Mortgage Loans	\$300 Million ²	8/19/2016	11/8/2023	8,771
Master Repurchase Agreement	Mortgage Loans	\$250 Million	2/26/2016	12/21/2023	215,798
Master Repurchase Agreement	Mortgage Loans	\$1.0 Billion	7/10/2012	1/8/2024	182,116
Master Repurchase Agreement	Mortgage Loans	\$2.5 Billion	12/31/2014	2/21/2024	1,085,273
Master Repurchase Agreement	Mortgage Loans	\$500 Million	3/7/2019	2/21/2024	239,790
Master Repurchase Agreement	Mortgage Loans	\$250 Million	4/23/2021	4/23/2024	160,894
Master Repurchase Agreement	Mortgage Loans	\$400 Million	2/29/2012	5/17/2024	362,704
Master Repurchase Agreement	Mortgage Loans	\$1.0 Billion	7/24/2020	8/29/2024	811,030
Master Repurchase Agreement	Mortgage Loans	\$200 Million	10/30/2020	11/5/2024	66,775
Master Repurchase Agreement	Mortgage Loans	\$3.0 Billion	5/9/2019	11/28/2025	1,908,804
Early Funding:					
Master Repurchase Agreement	Mortgage Loans	\$600 Million (ASAP+ - see below)		No expiration	—
Master Repurchase Agreement	Mortgage Loans	\$750 Million (EF - see below)		No expiration	—
					\$ 5,066,900

¹ An aggregate of \$650 million of these line amounts is committed as of September 30, 2023.

² This warehouse line of credit agreement expired pursuant to its terms subsequent to September 30, 2023.

Early Funding Programs

We are an approved lender for loan early funding facilities with Fannie Mae through its As Soon As Pooled Plus (“ASAP+”) program and Freddie Mac through its Early Funding (“EF”) program. As an approved lender for these early funding programs, we enter into an agreement to deliver closed and funded one-to-four family residential mortgage loans, each secured by related mortgages and deeds of trust, and receive funding in exchange for such mortgage loans in some cases before the lender has grouped them into pools to be securitized by Fannie Mae or Freddie Mac. All such mortgage loans must adhere to a set of eligibility criteria to be acceptable. As of September 30, 2023, no amounts were outstanding under the ASAP+ program or the EF program.

Covenants

Our warehouse facilities generally require us to comply with certain operating and financial covenants and the availability of funds under these facilities is subject to, among other conditions, our continued compliance with these covenants. These financial covenants include, but are not limited to, maintaining (i) a certain minimum tangible net worth, (ii) minimum liquidity, (iii) a maximum ratio of total liabilities or total debt to tangible net worth, and (iv) profitability. A breach of these covenants can result in an event of default under these facilities and as such would allow the lenders to pursue certain remedies. In addition, each of these facilities, as well as our unsecured lines of credit, includes cross default or cross acceleration provisions that could result in all facilities terminating if an event of default or acceleration of maturity occurs under any facility. We were in compliance with all covenants under these facilities as of September 30, 2023.

Other Financing Facilities

Senior Notes

On November 3, 2020, our consolidated subsidiary, UWM, issued \$800.0 million in aggregate principal amount of senior unsecured notes due November 15, 2025 (the “2025 Senior Notes”). The 2025 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2025 Senior Notes is due semi-annually on May 15 and November 15 of each year. We used approximately \$500.0 million of the net proceeds from the offering of 2025 Senior Notes for general corporate purposes to fund future growth and distributed the remainder to SFS Corp. for tax distributions.

On or after November 15, 2022, we may, at our option, redeem the 2025 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: November 15, 2022 at 102.750%; November 15, 2023 at 101.375%; or November 15, 2024 until maturity at 100.000%, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

On April 7, 2021, our consolidated subsidiary, UWM, issued \$700.0 million in aggregate principal amount of senior unsecured notes due April 15, 2029 (the "2029 Senior Notes"). The 2029 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2029 Senior Notes is due semi-annually on April 15 and October 15 of each year. We used a portion of the proceeds from the issuance of the 2029 Senior Notes to pay off and terminate a line of credit that was in place at the time of issuance, and the remainder for general corporate purposes.

On or after April 15, 2024, we may, at our option, redeem the 2029 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: April 15, 2024 at 102.750%; April 15, 2025 at 101.375%; or April 15, 2026 until maturity at 100.000%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to April 15, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, we may, at our option, redeem the 2029 Senior Notes prior to April 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

On November 22, 2021, our consolidated subsidiary, UWM, issued \$500.0 million in aggregate principal amount of senior unsecured notes due June 15, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes accrue interest at a rate of 5.750% per annum. Interest on the 2027 Senior Notes is due semi-annually on June 15 and December 15 of each year. We used the proceeds from the issuance of the 2027 Senior Notes for general corporate purposes.

On or after June 15, 2024, we may, at our option, redeem the 2027 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: June 15, 2024 at 102.875%; June 15, 2025 at 101.438%; or June 15, 2026 until maturity at 100.000%, of the principal amount of the 2027 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to June 15, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of the 2027 Senior Notes originally issued at a redemption price of 105.75% of the principal amount of the 2027 Senior Notes redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, we may, at our option, redeem the 2027 Senior Notes prior to June 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

The indentures governing the 2025 Senior Notes, the 2029 Senior Notes, and the 2027 Senior Notes contain certain operating covenants and restrictions, subject to a number of exceptions and qualifications, including restrictions on our ability to (1) incur additional non-funding indebtedness unless either (y) the Fixed Charge Coverage Ratio (as defined in the applicable indenture) is no less than 3.0 to 1.0 or (z) the Debt-to-Equity Ratio (as defined in the applicable indenture) does not exceed 2.0 to 1.0, (2) merge, consolidate or sell assets, (3) make restricted payments, including distributions, (4) enter into transactions with affiliates, (5) enter into sale and leaseback transactions and (6) incur liens securing indebtedness. We were in compliance with the terms of these indentures as of September 30, 2023.

MSR Facilities

On September 30, 2022, the Company's consolidated subsidiary, UWM, entered into a Loan and Security Agreement with Citibank, N.A. ("Citibank"), providing UWM with up to \$1.5 billion of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "MSR Facility"). The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria. Available borrowings under the MSR Facility are based on the fair market value of the collateral, and borrowings under the MSR Facility will bear interest based on one-month term SOFR plus an applicable margin. As of September 30, 2023, \$250.0 million was outstanding under the MSR Facility.

The MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of September 30, 2023, we were in compliance with all applicable covenants.

On January 30, 2023, UWM, entered into Amendment No. 1 to the Loan and Security Agreement with Citibank, permitting UWM, with the prior consent of Citibank, to enter into transactions for the sale of excess servicing cash flows (as discussed below) whereby Citibank will release its security interest in that portion of the collateral.

On March 20, 2023, our consolidated subsidiary, UWM, entered into a Credit Agreement with Goldman Sachs Bank USA, providing UWM with up to \$500.0 million of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "GNMA MSR facility"). The GNMA MSR facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitization by Ginnie Mae that meet certain criteria. Available borrowings under the GNMA MSR facility are based on the fair market value of the collateral. Borrowings under the GNMA MSR facility will bear interest based on SOFR plus an applicable margin. As of September 30, 2023, \$250.0 million was outstanding under the GNMA MSR facility.

The GNMA MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of September 30, 2023, we were in compliance with all applicable covenants.

Excess Servicing Cash Flow Transactions

Pursuant to the guidelines of the GSEs, when we sell loans to the GSEs with servicing retained, we retain a minimum servicing fee (the "Base Servicing Fee") to compensate us for servicing the mortgage loans. However, at times we may retain servicing fees for our MSR's that exceed the Base Servicing Fee. In 2023, we began conducting sales of the excess servicing fee cash flows on certain of our MSR's, whereby the rights to the excess fees are separated, securitized by the GSEs and sold, while we retain the obligation to service the loan and therefore continue to receive the base servicing fee. During the nine months ended September 30, 2023, we sold excess servicing cash flows on certain agency loans for proceeds of approximately \$428.7 million.

Revolving Credit Facility

On August 8, 2022, UWM entered into the Revolving Credit Agreement, between UWM, as the borrower, and SFS Corp., as the lender. The Revolving Credit Agreement provides for, among other things, a \$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility had an initial one-year term and automatically renews for successive one-year periods unless terminated by either party. Amounts borrowed under the Revolving Credit Facility may be borrowed, repaid and reborrowed from time to time, and accrue interest at the Applicable Prime Rate (as defined in the Revolving Credit Agreement). UWM may utilize the Revolving Credit Facility in connection with: (i) operational and investment activities, including but not limited to funding and/or advances related to (a) servicing rights, (b) 'scratch and dent' loans, (c) margin requirements, and (d) equity in loans held for sale; and (ii) general corporate purposes.

The Revolving Credit Agreement contains certain financial and operating covenants and restrictions, subject to a number of exceptions and qualifications, and the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. We were in compliance with these covenants as of September 30, 2023. No amounts were outstanding under the Revolving Credit Facility as of September 30, 2023.

Borrowings Against Investment Securities

In 2021, our consolidated subsidiary, UWM, began selling some of the mortgage loans that it originates through private label securitization transactions. In executing these transactions, UWM sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The securitization entities are funded through the issuance of beneficial interests in the securitized assets. The beneficial interests take the form of trust certificates, some of which are sold to investors and some of which may be retained by UWM due to regulatory requirements. UWM entered into sale and repurchase agreements for a portion of the retained beneficial interests in the securitization trusts established to facilitate its private label securitization transactions which have been accounted for as borrowings against investment securities. As of September 30, 2023, we had \$97.3 million outstanding under individual trades executed pursuant to a master repurchase agreement with a counterparty which is collateralized by the investment securities (beneficial interests in the trusts) that we retained due to regulatory requirements. The borrowings against investment securities have remaining terms ranging from one to five months as of September 30, 2023, and interest rates based on SOFR plus a spread. We intend to renew these sale and repurchase agreements upon their maturity during the required holding period for the retained investment securities.

The counterparty under these sale and repurchase agreements conducts daily evaluations of the adequacy of the underlying collateral based on the fair value of the retained investment securities less specified haircuts. These investment securities are financed on average at approximately 75% of the outstanding principal balance, and exchanges of cash collateral are required if the fair value of the retained investment securities less the haircut is less than the principal balance plus accrued interest on the secured borrowings. As of September 30, 2023, we had delivered \$8.4 million of collateral to the counterparty under these sale and repurchase agreements.

Finance Leases

As of September 30, 2023, our finance lease liabilities were \$33.3 million, \$26.7 million of which relates to leases with related parties. The Company's financing lease agreements have remaining terms ranging from approximately five months to thirteen years.

Cash flow data for the nine months ended September 30, 2023 and 2022

(\$ in thousands)	For the nine months ended September 30,	
	2023	2022
Net cash provided by operating activities	\$ 494,513	\$ 10,812,822
Net cash provided by investing activities	1,652,326	1,144,576
Net cash used in financing activities	(2,122,121)	(11,888,952)
Increase in cash and cash equivalents	\$ 24,718	\$ 68,446
Cash and cash equivalents at the end of the period	729,616	799,534

Net cash provided by operating activities

Net cash provided by operating activities was \$494.5 million for the nine months ended September 30, 2023 compared to net cash provided by operating activities of \$10.8 billion for the same period in 2022. The decrease in cash flows from operating activities year-over-year was primarily driven by the larger decrease in mortgage loans at fair value in the nine month period ended September 30, 2022 as compared to the nine month period ended September 30, 2023.

Net cash provided by investing activities

Net cash provided by investing activities was \$1.7 billion for the nine months ended September 30, 2023 compared to \$1.1 billion of net cash provided by investing activities for the same period in 2022. The increase in cash flows provided by investing activities was primarily driven by an increase in proceeds from the sales of MSR's and excess servicing cash flows.

Net cash used in financing activities

Net cash used in financing activities was \$2.1 billion for the nine months ended September 30, 2023 compared to cash used in financing activities of \$11.9 billion for the same period in 2022. The decrease in cash used for financing activities year-over-year was primarily driven by a decrease in net repayments under the warehouse lines of credit for the nine months ended September 30, 2023, primarily attributable to the smaller decrease in loans at fair value as compared to the nine months ended September 30, 2022.

Contractual Obligations**Cash requirements from contractual and other obligations**

As of September 30, 2023, our material cash requirements from known contractual and other obligations include interest and principal payments under our Senior Notes, principal payments under our borrowings against investment securities, interest and principal payments under our MSR Facility and GNMA MSR Facility, and payments under our financing and operating lease agreements. In the first quarter of 2023, UWM entered into the GNMA MSR Facility, which provides for up to \$500 million of available borrowing capacity secured against certain MSR's. As of September 30, 2023, \$250.0 million was outstanding under the GNMA MSR facility. There have been no other material changes in the cash requirements from known contractual and other obligations since December 31, 2022.

During the third quarter of 2023, the Board declared a dividend of \$0.10 per share of Class A common stock for an aggregate \$9.4 million. Concurrently with this declaration, the Board, in its capacity as the Manager of Holdings LLC, under the Holdings LLC Second Amended and Restated Operating Agreement, approved a proportional distribution of \$150.2 million from Holdings LLC to SFS Corp. with respect to Class B Units of Holdings LLC. The dividend and the distributions were paid on October 11, 2023.

The sources of funds needed to satisfy these cash requirements include cash flows from operations and investing activities, including cash flows from sales of MSR's and excess servicing cash flows, sale or securitization of loans into the secondary market, loan origination fees, servicing fee income, and interest income on mortgage loans.

Repurchase and indemnification obligations

Loans sold to investors which we believe met investor and agency underwriting guidelines at the time of sale may be subject to repurchase in the event of specific default by the borrower or subsequent discovery that underwriting or documentation standards were not explicitly satisfied. We establish a reserve which is estimated based on an assessment of our contingent and non-contingent obligations, including expected losses, expected frequency, the overall potential remaining exposure, as well as an estimate for a market participant's potential readiness to stand by to perform on such obligations. See *Note 8 - Commitments and Contingencies* to the condensed consolidated financial statements for further information.

Interest rate lock commitments, loan sale and forward commitments

In the normal course of business, we are party to financial instruments with off-balance sheet risk. These financial instruments include commitments to extend credit to borrowers at either fixed or floating interest rates. IRLCs are binding agreements to lend to a borrower at a specified interest rate within a specified period of time as long as there is no violation of conditions established in the contract. Forward commitments generally have fixed expiration dates or other termination clauses which may require payment of a fee. As many of the commitments expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. In addition, we have contracts to sell mortgage loans into the secondary market at specified future dates (commitments to sell loans), and forward commitments to sell MBS at specified future dates and interest rates. The blended average pullthrough rate was 80% and 77%, as of September 30, 2023 and December 31, 2022, respectively.

Following is a summary of the notional amounts of commitments as of dates indicated:

(\$ in thousands)	September 30, 2023	December 31, 2022
Interest rate lock commitments—fixed rate (a)	\$ 7,351,202	\$ 5,350,845
Interest rate lock commitments—variable rate (a)	—	8,839
Commitments to sell loans	2,299,656	608,703
Forward commitments to sell mortgage-backed securities	9,515,898	10,336,172

(a) Adjusted for pullthrough rates of 80% and 77%, respectively.

As of September 30, 2023, we had sold \$1.6 billion of loans to a global insured depository institution and assigned the related trades to deliver the applicable loans into securities for end investors for settlement in October 2023.

Critical Accounting Estimates and Use of Significant Estimates

Preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We have identified certain accounting estimates as being critical because they require management's judgement to make difficult, subjective or complex judgements about matters that are uncertain. Actual results could differ and the use of other assumptions or estimates could result in material differences in our condensed consolidated financial statements. Our critical accounting policies and estimates relate to accounting for mortgage loans held at fair value and revenue recognition, mortgage servicing rights, derivative financial instruments and representations and warranties reserves. There were no significant changes to our policies, methodologies, or processes used in applying our critical accounting estimates from what was described in our 2022 Annual Report on Form 10-K.

Cautionary Note Regarding Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements relate to expectations for future financial performance, business strategies or expectations for our business. Specifically, forward-looking statements in this report include statements relating to:

- the future financial performance of our business;
- our future growth, including our loan originations and position in the industry compared to our peers;
- our client-based business strategies, strategic initiatives, technological developments and product pipeline;
- the impact of interest rate risks on our business;
- our ability to renew our sale and repurchase agreements, and the impacts of counterparty risks on our business;
- our mitigation of credit risks and the impacts of defaults on our business, as well as our risk mitigation strategies;
- our accounting policies and recent amendments to the FASB regulations, and the impacts to our agreements and financial results;
- macroeconomic conditions that may affect our business and the mortgage industry in general;
- political and geopolitical conditions that may affect our business and the mortgage industry in general;
- our utilization of our warehouse facilities, MSR facilities, and Revolving Credit Facility, including outstanding borrowings through 2023;
- the impact of litigation on our financial position;
- the sufficiency of our insurance coverage;
- our repurchase and indemnification obligations; and
- other statements preceded by, followed by or that include the words “may,” “can,” “should,” “will,” “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “target” or similar expressions.

These forward-looking statements involve estimates and assumptions which may be affected by risks and uncertainties in our business, as well as other external factors, which could cause future results to materially differ from those expressed or implied in any forward-looking statement including the following risks:

- our dependence on macroeconomic and U.S. residential real estate market conditions, including changes in U.S. monetary policies that affect interest rates;
- the impact of inflation on housing pricing, demand for mortgages and the ability of borrowers to qualify for mortgages;
- our reliance on our warehouse facilities to fund mortgage loans and otherwise operate our business, leveraging of assets under these facilities and the risk of a decrease in the value of the collateral underlying certain of our facilities causing an unanticipated margin call;
- our ability to sell loans in the secondary market, including to government sponsored enterprises, and to securitize our loans into mortgage-backed securities through the GSEs and Ginnie Mae;
- our dependence on the GSEs and the risk of changes to these entities and their roles, including, as a result of GSE reform, termination of conservatorship or efforts to increase the capital levels of the GSEs;
- changes in the GSEs’, FHA, USDA and VA guidelines or GSE and Ginnie Mae guarantees;
- our dependence on licensed residential mortgage officers or entities, including brokers that arrange for funding of mortgage loans, or banks, credit unions or other entities that use their own funds or warehouse facilities to fund mortgage loans, but in any case do not underwrite or otherwise make the credit decision with regard to such mortgage loans to originate mortgage loans;
- our inability to continue to grow, or to effectively manage the growth of, our loan origination volume;
- our ability to continue to attract and retain our Independent Mortgage Advisor relationships;
- the occurrence of a data breach or other failure of our cybersecurity;
- loss of key management;
- reliance on third-party software and services;
- reliance on third-party sub-servicers to service our mortgage loans or our mortgage servicing rights;
- intense competition in the mortgage industry;
- our ability to implement technological innovation;
- risks relating to the transition to SOFR and the volatility of any replacement reference rate;

- our ability to continue to comply with the complex state and federal laws regulations or practices applicable to mortgage loan origination and servicing in general, including maintaining the appropriate state licenses, managing the costs and operational risk associated with material changes to such laws;
- errors or the ineffectiveness of internal and external models or data we rely on to manage risk and make business decisions;
- risk of counterparty terminating servicing rights and contracts;
- the risk that we may become subject to legal actions that if decided adversely, could be detrimental to our business; and
- those risks described in Item 1A - Risk Factors in our 2022 Annual Report on Form 10-K, as well as those described from time to time in our other filings with the SEC.

All forward-looking statements speak only as of the date of this report and should not be relied upon as representing our views as of any subsequent date. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are subject to a variety of risks which can affect our operations and profitability. We broadly define these areas of risk as interest rate, credit and counterparty risk.

Interest rate risk

We are subject to interest rate risk which may impact our origination volume and associated revenue, MSR valuations, IRLCs and mortgage loans at fair value valuations, and the net interest margin derived from our funding facilities. The fair value of MSRs is driven primarily by interest rates, which impact expected prepayments. In periods of rising interest rates, the fair value of the MSRs generally increases as expected prepayments decrease, consequently extending the estimated life of the MSRs resulting in expected increases in cash flows. In a declining interest rate environment, the fair value of MSRs generally decreases as expected prepayments increase consequently truncating the estimated life of the MSRs resulting in expected decreases in cash flows. Because origination volumes tend to increase in declining interest rate environments and decrease in increasing rate environments, we believe that servicing provides a natural hedge to our origination business. We do not specifically hedge MSRs but manage the economic risk through partially offsetting impact of servicing and mortgaging originations.

Our IRLCs and mortgage loans at fair value are exposed to interest rate volatility. During the origination, pooling, and delivery process, this pipeline value rises and falls with changes in interest rates. Because substantially all of our production is deliverable to Fannie Mae, Freddie Mac, and Ginnie Mae, we predominately utilize forward agency or Ginnie Mae To Be Announced ("TBA") securities as our primary hedge instrument. The TBA market is a secondary market where FLSCs or TBAs are sold by lenders seeking to hedge the risk that market interest rates may change and lock in a price for the mortgages they are in the process of originating.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on fair values based on hypothetical changes (increases and decreases) in interest rates. Our total market risk is influenced by a wide variety of factors including market volatility and the liquidity of the markets. There are certain limitations inherent in the sensitivity analysis presented, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled. We used September 30, 2023 market rates on our instruments to perform the sensitivity analysis. These sensitivities are hypothetical and presented for illustrative purposes only. Changes in fair value based on variations in assumptions generally cannot be extrapolated to our performance because the relationship of the change in fair value may not be linear nor does it factor ongoing operations. The following table summarizes the estimated change in the fair value of our mortgage loans at fair value, MSRs, IRLCs and FLSCs as of September 30, 2023 given hypothetical instantaneous parallel shifts in the yield curve. Actual results could differ materially.

(\$ in thousands)	September 30, 2023	
	Down 25 bps	Up 25 bps
Increase (decrease) in assets		
Mortgage loans at fair value	\$ 39,308	\$ (40,999)
MSRs	(120,196)	109,657
IRLCs	51,635	(54,870)
Total change in assets	\$ (29,253)	\$ 13,788
Increase (decrease) in liabilities		
FLSCs	\$ (93,098)	\$ 100,009
Total change in liabilities	\$ (93,098)	\$ 100,009

Credit risk

We are subject to credit risk, which is the risk of default that results from a borrower’s inability or unwillingness to make contractually required mortgage payments. While our loans are sold into the secondary market without recourse, we do have repurchase and indemnification obligations to investors for breaches under our loan sale agreements. For loans that were repurchased or not sold in the secondary market, we are subject to credit risk to the extent a borrower defaults and the proceeds upon ultimate foreclosure and liquidation of the property are insufficient to cover the amount of the mortgage loan plus expenses incurred. We believe that this risk is mitigated through the implementation of stringent underwriting standards, strong fraud detection tools and technology designed to comply with applicable laws and our standards. In addition, we believe that this risk is mitigated through the quality of our loan portfolio. For the three and nine months ended September 30, 2023, our originated loans had a weighted average loan to value ratio of 82.67% and 83.15%, and a weighted average FICO score of 738 for both periods. For the three and nine months ended September 30, 2022, our originated loans had a weighted average loan to value ratio of 82.12% and 78.84%, and a weighted average FICO score of 736 and 738. Management believes that the increase in the weighted average loan to value ratio year over year is primarily due to the increase in the percentage of purchase volume to total loan origination volume in 2023.

Counterparty risk

We are subject to risk that arises from our financing facilities and interest rate risk hedging activities. These activities generally involve an exchange of obligations with unaffiliated banks or companies, referred to in such transactions as “counterparties.” If a counterparty were to default, we could potentially be exposed to financial loss if such counterparty were unable to meet its obligations to us. We manage this risk by selecting only counterparties that we believe to be financially strong, spreading the risk among many such counterparties, limiting singular credit exposures on the amount of unsecured credit extended to any single counterparty, and entering into master netting agreements with the counterparties as appropriate.

In accordance with the best practices outlines by The Treasury Market Practices Group, we execute Securities Industry and Financial Markets Association trading agreements with all material trading partners. Each such agreement provides for an exchange of margin should either party’s exposure exceed a predetermined contractual limit. Such margin requirements limit our overall counterparty exposure. The master netting agreements contain a legal right to offset amounts due to and from the same counterparty. We incurred no losses due to nonperformance by any of our counterparties during the three or nine months ended September 30, 2023 or September 30, 2022.

Also, in the case of our financing facilities, we are subject to risk if the counterparty chooses not to renew a borrowing agreement and we are unable to obtain financing to originate mortgage loans. With our financing facilities, we seek to mitigate this risk by ensuring that we have sufficient borrowing capacity with a variety of well-established counterparties to meet our funding needs as well as fostering long-term relationships.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Principal Executive Officer and Principal Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2023. Based upon their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

We operate in a heavily regulated industry that is highly sensitive to consumer protection, and we are subject to numerous federal, state and local laws. We are routinely involved in consumer complaints, regulatory actions and legal proceedings in the ordinary course of our business. We are also routinely involved in state regulatory audits and examinations, and occasionally involved in other governmental proceedings arising in connection with our respective business. The resolution of these matters, including the matters specifically described below, is not currently expected to have a material adverse effect on our financial position, financial performance or cash flows.

On April 23, 2021, a complaint was filed in the U.S. District Court for the Middle District of Florida against the Company and Mat Ishbia, individually by The Okavage Group, LLC ("Okavage") on behalf of itself and all other mortgage brokers who are, or have been clients of UWM and either Fairway Independent Mortgage or Rocket Pro TPO. After the Company and Mat Ishbia filed a motion to dismiss the complaint, Okavage filed a motion for leave to amend its complaint on August 2, 2021, and on August 3, 2021, the Court granted Okavage's motion and ordered the clerk to file Plaintiff's First Amended Class Action Complaint with its corresponding attachments. In its amended complaint, Okavage dropped the Company as a defendant and added UWM as a defendant. Okavage purports to represent the same set of mortgage brokers as in its original complaint and alleges that UWM's new policy to no longer enter into new transactions with Independent Mortgage Brokers who also sold mortgage loans to these two market participants amounted to anticompetitive conduct under federal and Florida antitrust laws. Okavage seeks class certification, treble damages, attorneys' fees and injunctive relief. UWM filed a renewed motion to dismiss on September 7, 2021. On July 27, 2022, the magistrate judge assigned to consider UWM's motion to dismiss recommended that the amended complaint be dismissed in its entirety without prejudice. In response, Okavage filed a second amended class action complaint on November 8, 2022. On March 24, 2023, Okavage filed a motion for leave to file a supplemental complaint, which the court granted on July 18, 2023. On August 14, 2023, UWM filed a motion to dismiss the supplemental class action complaint. The motion to dismiss is pending before the Court.

On February 3, 2022, UWM filed a complaint against America's Moneyline, Inc. ("AML"), a former client, in the U.S. District Court for the Eastern District of Michigan, seeking monetary damages and injunctive relief. The complaint alleges that AML breached the parties' wholesale broker agreement by submitting mortgage loans and mortgage loan applications to certain select retail lenders. On February 25, 2022, AML filed its answer to the complaint and included certain counterclaims, including fraud and misrepresentation, against UWM. UWM filed a motion to dismiss AML's counterclaims, and on December 12, 2022, the court granted UWM's motion in large part, dismissing all of AML's counterclaims except for its declaratory judgment claim. On March 8, 2023, AML filed an amended counterclaim. On April 19, 2023, UWM filed a motion to dismiss the amended counterclaim, and that motion remains pending.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended September 30, 2023, none of our officers (as defined in Rule 16a-1(f) of the Exchange Act) or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 1.01 Entry into a Material Definitive Agreement

On September 6, 2023, UWM entered into an amendment to the pricing side letter to the Master Repurchase Agreement and Securities Contract with Bank of Montreal (the "BMO Master Repurchase Agreement"). The amendment

increased the available line amount to \$1 billion and effectuated other non-material changes to the BMO Master Repurchase Agreement. All other material terms of the BMO Master Repurchase Agreement remained the same.

The foregoing description does not purport to be complete and is subject to, and qualified in its entirety by reference to the full text of the BMO Master Repurchase Agreement, a copy of which is filed with this quarterly report on Form 10-Q.

Item 6. Exhibits and Financial Statement Schedules

Exhibit Number	Description
10.24%*#	Master Repurchase Agreement and Securities Contract, conformed through Amendment No. 7, dated May 25, 2023, between United Wholesale Mortgage, LLC, as seller, and Bank of Montreal, as buyer.
31.1%	Certification of CEO, pursuant to SEC Rule 13a-14(a) and 15d-14(a).
31.2%	Certification of CFO, pursuant to SEC Rule 13a-14(a) and 15d-14(a).
32.1 ⁺	Certification by the CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 ⁺	Certification by the CFO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.0 INS%	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH%	XBRL Taxonomy Extension Schema Document.
101.CAL%	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF%	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB%	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE%	XBRL Taxonomy Extension Presentation Linkbase Document
104.0%	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
%	Filed herewith.
+	Furnished herewith.
*	Certain of the exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5) or Item 601(b)(2). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.
#	Certain confidential portions of this exhibit were omitted by means of marking such portions with brackets and asterisks because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed, or constituted personally identifiable information that is not material.

**CONFORMED COPY, through:
Omnibus Amendment, dated as of December 14, 2020;
Amendment No. 2, dated as of December 29, 2020;
Amendment No. 3, dated as of April 30, 2021;
Amendment No. 4., dated as of September 10, 2021;
Amendment No. 5, dated as of July 7, 2022;
Amendment No. 6, dated as of October 13, 2022; and
Amendment No. 7, dated as of May 25, 2023**

MASTER REPURCHASE AGREEMENT AND SECURITIES CONTRACT

between

BANK OF MONTREAL,
as Buyer

and

UNITED WHOLESALE MORTGAGE, LLC,
as Seller

Dated as of July 24, 2020

* Certain portions of this exhibit have been redacted in accordance with Item 601(b)(10) of Regulation S-K. This information is not material and would likely cause competitive harm to the registrant if publicly disclosed. “[***]” indicates that information has been redacted.

TABLE OF CONTENTS

	Page(s)
Section 1. Applicability; Transaction Overview	1
Section 2. Definitions	1
Section 3. The Transactions	27
Section 4. Repurchases	34
Section 5. Income Payments; Price Differential	35
Section 6. Requirements Of Law	36
Section 7. Margin Maintenance	36
Section 8. Taxes	37
Section 9. Security Interest; Buyer's Appointment as Attorney-in-Fact	40
Section 10. Payment, Transfer And Remittance	42
Section 11. Hypothecation or Pledge of Purchased Mortgage Loans	43
Section 12. Fees	43
Section 13. Representations	43
Section 14. Covenants Of Seller	49
Section 15. Events Of Default	56
Section 16. Remedies	59
Section 17. Indemnification and Expenses	61
Section 18. Servicing	63
Section 19. Recording of Communications	64
Section 20. Due Diligence	64
Section 21. Assignability	65
Section 22. Transfer and Maintenance of Register	66
Section 23. Tax Treatment	66
Section 24. Set-Off	66
Section 25. Terminability	67
Section 26. Notices And Other Communications	67
Section 27. Entire Agreement; Severability; Single Agreement	67
Section 28. GOVERNING LAW	68
Section 29. SUBMISSION TO JURISDICTION; WAIVERS	68
Section 30. No Waivers, etc	69
Section 31. Netting	69
Section 32. Confidentiality	69
Section 33. Intent	70
Section 34. Conflicts	71
Section 35. Authorizations	71
Section 36. Miscellaneous	71
Section 37. Recognition of the U.S. Special Resolution Regimes	73

Section 38. Effect of Benchmark Transition Event
Section 39. General Interpretive Principles

73
74

SCHEDULE 1-A REPRESENTATIONS AND WARRANTIES RE: MORTGAGE LOANS
SCHEDULE 1-B REPRESENTATIONS AND WARRANTIES RE: POOLED MORTGAGE LOANS
SCHEDULE 2 AUTHORIZED REPRESENTATIVES
SCHEDULE 3 INDEBTEDNESS OF SELLER

EXHIBIT A CONSTRUCTION TO PERMANENT LOAN DATA AND REQUIRED DOCUMENTS
EXHIBIT B [RESERVED]
EXHIBIT C EVIDENCE OF BUYER LISTED AS LOSS PAYEE OF FIDELITY INSURANCE POLICY, ERRORS AND
OMISSIONS INSURANCE POLICY, AND PROFESSIONAL LIABILITY INSURANCE POLICY
EXHIBIT D FORM OF SECTION 8 CERTIFICATE
EXHIBIT E ASSET SCHEDULE FIELDS
EXHIBIT F FORM OF POWER OF ATTORNEY
EXHIBIT G FORM OF OFFICER'S COMPLIANCE CERTIFICATE
EXHIBIT H FORM OF SECURITY RELEASE CERTIFICATION

MASTER REPURCHASE AGREEMENT AND SECURITIES CONTRACT

This is a MASTER REPURCHASE AGREEMENT AND SECURITIES CONTRACT, dated as of July 24, 2020, between UNITED WHOLESALE MORTGAGE, LLC (formerly known as United Shore Financial Services, LLC), a Michigan limited liability company (“Seller”), and BANK OF MONTREAL, a Canadian Chartered bank acting through its Chicago Branch (“Buyer”).

Section 1. Applicability; Transaction Overview. Buyer shall, with respect to the Committed Amount, and may agree to, with respect to the Uncommitted Amount, from time to time, upon the terms and conditions set forth herein, enter into transactions in which Seller agrees to transfer to Buyer Mortgage Loans and all right, title and interest (including the Servicing Rights (as hereinafter defined)) in and to the Mortgage Loans against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Mortgage Loans against the transfer of funds by Seller. Each such transaction involving the transfer of Mortgage Loans shall be referred to herein as a “Transaction” and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in any annexes identified herein, as applicable hereunder. **This Agreement is only a commitment by Buyer to engage in the Transactions with respect to the Committed Amount, and sets forth the requirements under which Buyer would consider entering into Transactions set forth herein with respect to the Uncommitted Amount.**

Section 2. Definitions. As used herein, the following terms shall have the following meanings.

“Accelerated Repurchase Date” shall have the meaning set forth in Section 16(a)(i) hereof.

“Acceptable State” shall mean any state acceptable pursuant to the Underwriting Guidelines in which Seller is licensed to originate Mortgage Loans.

“Accepted Servicing Practices” shall mean, with respect to any Mortgage Loan, those mortgage servicing practices of prudent mortgage lending institutions which service mortgage loans (a) of the same type as such Mortgage Loan in the jurisdiction where the related Mortgaged Property is located, (b) serviced in accordance with Fannie Mae, Freddie Mac, or Government Agency servicing practices and procedures, as applicable, (c) in accordance with the terms of the related Mortgage Note and Mortgage, and (d) in accordance with applicable law and regulations, including the servicing standards promulgated by the Consumer Financial Protection Bureau.

“Adjusted Tangible Net Worth” shall mean, for any Person, Net Worth of such Person plus Subordinated Debt (if approved for purposes of this calculation by Buyer in its good faith and reasonable discretion), minus all intangible assets, goodwill, patents, tradenames, trademarks, copyrights, franchises, any organizational expenses, deferred expenses, prepaid expenses, prepaid assets, receivables from shareholders, Affiliates or employees, any other asset as shown as an intangible asset on the balance sheet of such Person on a consolidated basis as determined at a particular date in accordance with GAAP and any other assets that Buyer deems, at any time, in its good faith and commercially reasonable discretion, as intangible assets or overstated assets. For the avoidance of doubt, Buyer may deem, in its good faith and commercially reasonable discretion, any asset as intangible or overstated at any time after the delivery of the most recent Officer’s Compliance Certificate. Buyer agrees to use reasonable efforts to notify Seller of assets deemed by Buyer to be intangible or materially overstated. For purposes of this calculation, mortgage Servicing Rights are not, and will not be, deemed by Buyer to be intangible assets.

“Affiliate” shall mean, with respect to any Person, any “affiliate” of such Person, as such term is defined in the Bankruptcy Code. For purposes of this Agreement, the term “Affiliate” shall not include First Look Appraisals, LLC and Class Valuation LLC.

“Agency” shall mean Freddie Mac, Fannie Mae or Ginnie Mae, as applicable.

“Agency Approvals” shall have the meaning set forth in Section 13(ff) hereof.

“Agency Eligible Mortgage Loan” shall mean a Mortgage Loan that is in compliance with the eligibility requirements for swap or purchase by an Agency, under the applicable Agency guidelines and/or Agency Program.

“Agency Program” shall mean the specific mortgage backed securities swap program under the applicable Agency guidelines or as otherwise approved by an Agency pursuant to which the Agency Security is to be issued.

“Agency-Required eNote Legend” shall mean the legend or paragraph required by Fannie Mae or Freddie Mac, as applicable, to be set forth in the text of an eNote, which includes the provisions set forth on Annex 19 to the Custodial and Disbursement Agreement, as may be amended from time to time by Fannie Mae or Freddie Mac, as applicable.

“Agency Security” shall mean a mortgage-backed security issued by an Agency.

“Aggregate Facility Repurchase Price” shall mean, as of any date of determination, the sum of the Repurchase Prices (excluding from the definition of Repurchase Price any amounts calculated pursuant to clause (B) of such definition) of all Purchased Mortgage Loans.

“Agreement” shall mean this Master Repurchase Agreement and Securities Contract between Buyer and Seller, dated as of the date hereof as the same may be amended, restated, supplemented or otherwise modified as agreed between the parties and in accordance with the terms hereof.

“Anti-Corruption Laws” shall have the meaning set forth in Section 13(cc) hereof.

“Anti-Money Laundering Laws” shall have the meaning set forth in Section 13(aa) hereof.

“Appraised Value” shall mean the value set forth in an appraisal made in connection with the origination of the related Mortgage Loan as the value of the Mortgaged Property.

“Asset Schedule” shall mean with respect to any Transaction as of any date, an asset schedule in the form of a computer tape or other electronic medium (including an Excel spreadsheet) generated by Seller and delivered to Buyer and the Custodian, which provides information (including, without limitation, the information set forth on Exhibit E attached hereto) relating to the Purchased Mortgage Loans in a format reasonably acceptable to Buyer.

“Asset Value” means (a) with respect to a Jumbo Mortgage Loan, a Scratch & Dent Mortgage Loan or a Construction to Permanent Mortgage Loan, as of any date of determination, an amount equal to the product of (i) the Purchase Price Percentage for the applicable Purchased Mortgage Loan and (ii) the lesser of (x) the outstanding principal balance of such Purchased Mortgage Loan, and (y) the Market Value of such Purchased Mortgage Loan; and (b) with respect to any Purchased Mortgage Loan that is a Government Mortgage Loan, as of any date of determination, an amount equal to the lesser of (i) the outstanding principal balance of such Purchased Mortgage Loan, or (ii) the product of (x) the Purchase Price Percentage for the

applicable Purchased Mortgage Loan, and (y) the Market Value of such Purchased Mortgage Loan. Without limiting the generality of the foregoing, Seller acknowledges that the Asset Value of a Purchased Mortgage Loan may be reduced to zero by Buyer if:

(i) such Purchased Mortgage Loan is a Wet-Ink Mortgage Loan, for which the proceeds of such Purchased Mortgage Loan were wired to a Closing Agent with respect to which Buyer has notified the Seller at any time prior to the related Transaction that such Closing Agent is not satisfactory;

(ii) a Purchased Mortgage Loan Issue has occurred and such Purchased Mortgage Loan has not been repurchased by Seller;

(iii) the related Mortgage File has been released from the possession of the Custodian under the Custodial and Disbursement Agreement for a period in excess of the time permitted therefor under the Custodial and Disbursement Agreement;

(iv) such Purchased Mortgage Loan has been subject to a Transaction hereunder for a period of greater than the Maximum Transaction Duration identified on the Pricing Side Letter for such Purchased Mortgage Loan;

(v) Buyer has determined in its good faith discretion that such Purchased Mortgage Loan is not eligible for whole loan sale or securitization in a transaction consistent with the prevailing sale and securitization industry;

(vi) such Purchased Mortgage Loan is a Wet-Ink Mortgage Loan for which the Mortgage File has not been delivered to the Custodian on or prior to the Wet-Ink Mortgage Loan Document Receipt Date;

(vii) when the Purchase Price for such Purchased Mortgage Loan is added to the Purchase Price for all Purchased Mortgage Loans, the aggregate Purchase Price of any loan type exceeds the applicable Concentration Limit;

(viii) when the Purchase Price of such Mortgage Loan is added to other Purchased Mortgage Loans, the aggregate Purchase Price of all Mortgage Loans exceeds the Maximum Aggregate Purchase Price; or

(ix) with respect to a Construction to Permanent Construction Mortgage Loan, any payment required under such Mortgage Loan is delinquent.

“Assignment and Acceptance” shall have the meaning set forth in Section 21(a) hereof.

“Assignment of Mortgage” shall mean an assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect the sale of the Mortgage.

“Authoritative Copy” shall mean with respect to an eNote, the unique copy of such eNote that is within the Control of the Controller.

“Authorized Representative” shall mean, for the purposes of this Agreement only, an agent or Responsible Officer of Seller and Buyer listed on Schedule 2 hereto, as such Schedule 2 may be amended from time to time.

“Bailee Letter” shall mean a bailee letter substantially in the form prescribed by the Custodial and Disbursement Agreement or otherwise approved in writing by Buyer.

“Bankruptcy Code” shall mean the United States Bankruptcy Code of 1978, as amended from time to time.

“Benchmark Replacement” shall mean the sum of: (a) the alternate benchmark rate that has been selected by Buyer, in good faith and in a commercially reasonable manner, giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to Term SOFR for U.S. dollar-denominated syndicated or bilateral credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Benchmark Replacement Adjustment” shall mean, with respect to any replacement of Term SOFR with an Unadjusted Benchmark Replacement for each applicable Price Differential Collection Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Buyer, in good faith and in a commercially reasonable manner, giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of Term SOFR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of Term SOFR with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

“Benchmark Replacement Conforming Changes” shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to timing and frequency of determining rates and making payments of Price Differential, prepayment provisions, and other administrative matters) that Buyer decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Buyer in a manner substantially consistent with market practice (or, if Buyer decides that adoption of any portion of such market practice is not administratively feasible or if Buyer determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as Buyer decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” shall mean the earlier to occur of the following events with respect to Term SOFR:

(a) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of the date of the public statement or publication of information referenced therein and (b) the date on which the Term SOFR Administrator permanently or indefinitely ceases to provide Term SOFR; or

(b) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“Benchmark Transition Event” shall mean the occurrence of one or more of the following events with respect to Term SOFR:

(1) a public statement or publication of information by or on behalf of the Term SOFR Administrator announcing that such administrator has ceased or will cease to provide Term SOFR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide Term SOFR;

(2) a public statement or publication of information by the regulatory supervisor for the Term SOFR Administrator, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the Term SOFR Administrator, a resolution authority with jurisdiction over the Term SOFR Administrator or a court or an entity with similar insolvency or resolution authority over the Term SOFR Administrator, which states that the Term SOFR Administrator has ceased or will cease to provide Term SOFR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide Term SOFR; or

(3) a public statement or publication of information by the regulatory supervisor for the Term SOFR Administrator announcing that Term SOFR is no longer representative.

“Benchmark Transition Start Date” shall mean (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by notice to Seller.

“Benchmark Unavailability Period” shall mean, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Term SOFR and solely to the extent that Term SOFR has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced Term SOFR for all purposes hereunder in accordance with this Agreement and (y) ending at the time that a Benchmark Replacement has replaced Term SOFR for all purposes hereunder pursuant to this Agreement.

“BHC Act Affiliate” shall have the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Builder Acceptance Package Fee” shall have the meaning set forth in the Pricing Side Letter.

“Business Day” shall mean a day other than (i) a Saturday or Sunday, (ii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the State of Michigan or the State of New York or (iii) any day on which the U.S. Federal Reserve System is closed.

“Buyer” shall mean Bank of Montreal, its successors in interest and assigns, and with respect to Section 8, its participants.

“Capital Lease” shall mean, with respect to any Person, any lease of, or other arrangement conveying the right to use, any Property by such Person as lessee that has been or should be accounted for as a capital lease on a balance sheet of such Person prepared in accordance with GAAP.

“Capital Lease Obligations” shall mean, at any time, with respect to any Capital Lease, any lease entered into as part of any sale leaseback transaction of any Person or any synthetic

lease, the amount of all obligations of such Person that is (or that would be, if such synthetic lease or other lease were accounted for as a Capital Lease) capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“Cash Equivalents” shall mean (a) any readily-marketable securities (i) issued by, or directly, unconditionally and fully guaranteed or insured by the United States federal government or (ii) issued by any agency of the United States federal government the obligations of which are fully backed by the full faith and credit of the United States federal government, (b) any readily-marketable direct obligations issued by any other agency of the United States federal government, any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case having a rating of at least “A-1” from S&P or at least “P-1” from Moody’s, (c) any commercial paper rated at least “A-1” by S&P or “P-1” by Moody’s and issued by any Person organized under the laws of any state of the United States, (d) any Dollar-denominated time deposit, insured certificate of deposit, overnight bank deposit or bankers’ acceptance issued or accepted by (i) Buyer or (ii) any commercial bank that is (A) organized under the laws of the United States, any state thereof or the District of Columbia, (B) “adequately capitalized” (as defined in the regulations of its primary federal banking regulators) and (C) has Tier 1 capital (as defined in such regulations) in excess of \$[***] and (e) shares of any United States money market fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clause (a), (b), (c) or (d) above with maturities as set forth in the proviso below, (ii) has net assets in excess of \$[***] and (iii) has obtained from either S&P or Moody’s the highest rating obtainable for money market funds in the United States; provided, however, that the maturities of all obligations specified in any of clauses (a), (b), (c) or (d) above shall not exceed 365 days.

“Change in Control” shall mean:

- (a) any transaction or event as a result of which any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (“1934 Act”)), other than Permitted Holders, is or becomes the beneficial owner directly or indirectly, of more than [***]% of the total voting power of [***], and thereafter, the Permitted Holders are the beneficial owners, directly or indirectly, of less than [***]% of the total voting power of [***]; or
- (b) any transaction or event as a result of which [***] ceases to serve as the manager, directly or indirectly, of Seller;
- (c) the sale, transfer, or other disposition of all or substantially all of Seller’s assets (excluding any such action permitted under this Agreement or taken in connection with any securitization transaction or routine sales of Mortgage Loans and Servicing Rights); or
- (d) the consummation of a merger or consolidation of Seller with or into another entity or any other corporate reorganization, if more than [***]% of the combined voting power or equity interests of the continuing or surviving entity’s equity outstanding immediately after such merger, consolidation or such other reorganization is owned by persons who were not equity holders of the Seller immediately prior to such merger, consolidation or other reorganization.

For purposes of this definition, “Permitted Holders” shall mean (i) [***], (ii) any of the stockholders of [***], (iii) any beneficiary of any such stockholder to the extent that such stockholder is a trust, and (iv) any other trust or entity to the extent that any person described in clauses (i) – (iii) beneficially owns or controls such trust or entity.

For purposes of this definition, “beneficially owns” or “beneficial ownership” shall be determined pursuant to Rule 13d-3 under the 1934 Act.

“Closing Agent” shall mean, with respect to any Wet-Ink Transaction, an entity reasonably satisfactory to Buyer (which may be a title company, escrow company or attorney in accordance with local law and practice in the jurisdiction where the related Wet-Ink Mortgage Loan is being originated) to which the proceeds of such Wet-Ink Transaction are to be wired pursuant to the instructions of Seller. Unless Buyer notifies Seller (electronically or in writing) that a Closing Agent is unsatisfactory at least two (2) Business Days prior to the related Purchase Date, each Closing Agent utilized by Seller shall be deemed satisfactory.

“Closing Date” shall mean July 24, 2020.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Committed Amount” shall have the meaning assigned thereto in the Pricing Side Letter.

“Committed Mortgage Loan” means a Purchased Mortgage Loan which is the subject of a Take-out Commitment with a Take-out Investor.

“Concentration Limit” shall have the meaning set forth in the Pricing Side Letter.

“Confidential Information” shall have the meaning set forth in Section 32(a) hereof.

“Construction to Permanent Loan Data and Required Documents” shall mean the Construction to Permanent Loan Data and Required Documents listed on Exhibit A hereto. The loan data and required documents may be updated and changed from time to time by written notice to Seller at Buyer’s sole reasonable discretion.

“Construction to Permanent Mortgage Loan” shall mean a “single close” Mortgage Loan where the Mortgagor may make draws during the period of the construction and, upon completion of the construction period, such Mortgage Loan modifies and automatically converts into a permanent Mortgage Loan.

“Construction to Permanent Mortgage Loan Services Agent” shall mean each of (i) Altisource Holdings, LLC and its permitted successors under the Construction to Permanent Mortgage Loan Services Agreement, or (ii) such other services agent as may be mutually agreed to by Buyer and Seller, or following the occurrence and continuation of an Event of Default by Seller, by Buyer in its sole discretion.

“Construction to Permanent Mortgage Loan Services Agreement” shall mean that certain Statement of Work - Risk Mitigation Services - Residential Construction and Renovation Projects, dated as of January 11, 2023, between the Seller and the Construction to Permanent Mortgage Loan Services Agent, as the same may be amended, restated or otherwise modified from time to time.

“Construction to Permanent Mortgage Loan Services Agreement Side Letter” shall mean the Side Letter, dated as of May 25, 2023, among Seller, Buyer and the Construction to Permanent Mortgage Loan Services Agent, as the same may be amended, restated or otherwise modified from time to time.

“Construction to Permanent Mortgage Loan Funding Fee” shall have the meaning set forth in the Pricing Side Letter.

“Construction to Permanent Program” shall mean the written program of Seller detailing its construction to permanent lending program, including but not limited to underwriting standards, draw processes and procedures, and property inspection and appraisal processes and procedures.

“Contractual Obligations” shall mean, as to any Person, any material provision of any security (whether in the nature of stock or other equity interests, or otherwise) issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement (other than a Facility Document) to which such Person is a party or by which it or any of its Property is bound or to which any of its Property is subject.

“Control” shall mean with respect to an eNote, the “control” of such eNote within the meaning of UETA and/or, as applicable, E-SIGN, which is established by reference to the MERS eRegistry and any party designated therein as the Controller.

“Control Failure” shall mean with respect to an eNote, (i) if the Controller status of the eNote shall not have been transferred to Buyer, (ii) Buyer shall otherwise not be designated as the Controller of such eNote in the MERS eRegistry, (iii) if the eVault shall have released the Authoritative Copy of an eNote in contravention of the requirements of the Custodial and Disbursement Agreement, or (iv) if the Custodian initiated any changes on the MERS eRegistry in contravention of the terms of the Custodial and Disbursement Agreement.

“Controller” shall mean with respect to an eNote, the party designated in the MERS eRegistry as the “Controller”, and who in such capacity shall be deemed to be “in control” or to be the “controller” of such eNote within the meaning of UETA or E-SIGN, as applicable.

“Correspondent Mortgage Loan” means a Mortgage Loan which is (i) originated by a Correspondent Seller and underwritten by Seller in accordance with the Underwriting Guidelines and (ii) acquired by the Seller from a Correspondent Seller in the ordinary course of business, for sale to the Buyer pursuant to this Agreement.

“Correspondent Seller” means a mortgage loan originator that sells Mortgage Loans originated by it to Seller as a “correspondent” client.

“Costs” shall have the meaning set forth in Section 17(a) hereof.

“Custodial and Disbursement Agreement” shall mean, that certain Amended and Restated Custodial and Disbursement Agreement dated as of April 30, 2021, among Seller, Buyer, Custodian and Disbursement Agent, as may be amended from time to time as agreed between the parties.

“Custodian” shall mean Deutsche Bank National Trust Company, and any successor thereto under the Custodial and Disbursement Agreement.

“Cut-off Date” means, with respect to Pooled Mortgage Loans, the first calendar day of the month in which the related Settlement Date is to occur.

“Cut-off Date Principal Balance” means, with respect to Pooled Mortgage Loans, the outstanding principal balance of such Pooled Mortgage Loans on the Cut-off Date after giving effect to payments of principal and interest due on or prior to the Cut-off Date whether or not such payments are received.

“DE Compare Ratio” means the Two Year FHA Direct Endorsement Lender Compare Ratio, excluding streamline FHA refinancings, as made publicly available by HUD.

“Default” shall mean an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

“Default Right” shall have the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Party” shall have the meaning set forth in Section 31(b) hereof.

“Delegatee” shall mean with respect to an eNote, the party designated in the MERS eRegistry as the “Delegatee” or “Delegatee for Transfers”, who in such capacity is authorized by the Controller to perform certain MERS eRegistry transactions on behalf of the Controller such as Transfers of Control and Transfers of Control and Location.

“Disbursement Agent” shall mean, initially, Deutsche Bank National Trust Company, and any successor thereto under the Custodial and Disbursement Agreement, and following the delivery of a Disbursement Agent Termination Notice (as defined in the Custodial and Disbursement Agreement), BMO Harris Bank, N.A.

“Dollars” and “\$” shall mean lawful money of the United States of America.

“DU” shall mean the Fannie Mae automated underwriting system, DU or Desktop Underwriter.

“Due Date” shall mean the day of the month on which the Monthly Payment is due on a Mortgage Loan, exclusive of any days of grace.

“Due Diligence Documents” shall have the meaning set forth in Section 20 hereof.

“Early Opt-in Election” shall mean the occurrence of:

(1) a determination by Buyer that at least three currently outstanding U.S. dollar- denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) as a benchmark interest rate, in lieu of the Term SOFR, a new benchmark interest rate (excluding, for the avoidance of doubt, the LIBOR Rate) to replace Term SOFR, and

(2) the election by Buyer to declare that an Early Opt-in Election has occurred and the provision by Buyer of written notice of such election to Seller.

“eCommerce Laws” shall mean ESIGN, UETA, any applicable state or local equivalent or similar laws and regulations, and any rules, regulations and guidelines promulgated under any of the foregoing.

“Effective Date” shall mean the date upon which the conditions precedent set forth in Section 3(a) shall have been satisfied.

“Electronic Agent” shall mean MERSCORP Holdings, Inc., or its successor in interest or assigns.

“Electronic Record” shall mean with respect to an eMortgage Loan, the related eNote and all other documents comprising the Mortgage File electronically created and that are stored in an electronic format, if any.

“Electronic Tracking Agreement” shall mean an Electronic Tracking Agreement that is entered into among Buyer, Seller, MERS and MERSCORP Holdings, Inc., to the extent applicable as the same may be amended, restated, supplemented or otherwise modified from time to time as agreed between the parties.

“Eligible Mortgage Loan” shall mean a Mortgage Loan which:

- (a) has been approved by Buyer in its sole and absolute discretion on the related Purchase Date; and
- (b) complies with the representations and warranties set forth on Schedule 1-A.

(c) with respect to each Pooled Mortgage Loan, complies with the representations and warranties set forth on Schedule 1-B.

“eMortgage Loan” shall mean a Mortgage Loan, other than a FHA Loan, VA Loan or USDA Mortgage Loan, with respect to which there is an eNote and as to which some or all of the other documents comprising the related Mortgage File may be created electronically and not by traditional paper documentation with a pen and ink signature.

“eNote” shall mean, with respect to any eMortgage Loan, the electronically created Mortgage Note that is stored in an eVault and that is a Transferable Record.

“eNote Replacement Failure” shall mean with respect to an eNote, if Custodian shall not have complied with the requirements of Section 4(d)(ii) of the Custodial and Disbursement Agreement.

“Environmental Issue” shall mean any material environmental issue with respect to any Mortgaged Property, as determined by Buyer in its good faith discretion, including without limitation, the violation of any Environmental Laws.

“Environmental Laws” shall mean all Requirements of Law and Permits imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the workplace, the environment and natural resources, and including public notification requirements and environmental transfer of ownership, notification or approval statutes.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and any successor thereto, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” shall mean any Person, whether or not incorporated, that is a member of any group of organizations described in Section 414(b), (c), (m) or (o) of the Code of which the Seller is a member.

“Errors and Omissions Insurance Policy” means an errors and omissions insurance policy to be maintained by the Seller.

“Escrow Payments” shall mean, with respect to any Mortgage Loan, the amounts constituting ground rents, taxes, assessments, water rates, sewer rents, municipal charges, mortgage insurance premiums, fire and hazard insurance premiums, condominium charges, and any other payments required to be escrowed by the Mortgagor with the mortgagee pursuant to the Mortgage or any other document.

“ESIGN” shall mean the Electronic Signature In Global and National Commerce Act, Pub. L. No. 106-229, 114 Stat. 464 (codified at 15 U.S.C. §§ 7001-31), as the same may be supplemented, amended, recodified or replaced from time to time.

“eVault” shall mean an electronic repository established and maintained by an eVault Provider for delivery and storage of eNotes.

“eVault Provider” shall mean Document Systems, Inc. d/b/a DocMagic, or its successor in interest or assigns, or such other entity agreed upon by Seller, Custodian and Buyer.

“Event of Default” shall have the meaning set forth in Section 15 hereof.

“Event of ERISA Termination” shall mean (i) with respect to any Plan, a Reportable Event, as to which the PBGC has not by regulation waived the reporting of the occurrence of such event, or (ii) the withdrawal of Seller or any ERISA Affiliate thereof from a Plan during a plan year in which it is a substantial employer, as defined in Section 4001(a)(2) of ERISA, or (iii) the failure by Seller or any ERISA Affiliate thereof to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA with respect to any Plan, including, without limitation, the failure to make on or before its due date a required installment under Section 430(j) of the Code or Section 303(j) of ERISA, or (iv) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by Seller or any ERISA Affiliate thereof to terminate any Plan, or (v) the determination that any Plan is or is expected to be in “at-risk” status, within the meaning of Section 430 of the Code or Section 303 of ERISA or (vi) the failure to meet the requirements of Section 436 of the Code resulting in the loss of qualified status under Section 401(a)(29) of the Code, or (vii) the institution by the PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or (viii) the receipt by Seller or any ERISA Affiliate thereof of a notice from a Multiemployer Plan that action of the type described in the previous clause (vii) has been taken by the PBGC with respect to such Multiemployer Plan, or a determination that a Multiemployer Plan is, or is expected to be “insolvent” (within the meaning of Section 4245 of ERISA) or in “endangered” or “critical status” (within the meaning of Section 432 of the Code or Section 305 of ERISA); or (ix) the imposition of any Lien in favor of the PBGC or a Plan shall arise on the assets of Seller or any ERISA Affiliate thereof or (x) any event or circumstance exists which may reasonably be expected to constitute grounds for Seller or any ERISA Affiliate thereof to incur liability under Title IV of ERISA or under Sections 412(b) or 430 (k) of the Code with respect to any Plan.

“Exception Report” shall have the meaning set forth in the Custodial and Disbursement Agreement.

“Excluded Taxes” shall have the meaning set forth in Section 8(e) hereof.

“Executive Order” shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (66 Fed. Reg. 49079).

“Facility Documents” shall mean this Agreement, the Pricing Side Letter, the Custodial and Disbursement Agreement, any Electronic Tracking Agreement, the Reserve Account Control Agreement, the Joint Securities Agreement, the Intercreditor Agreement, the Construction to Permanent Mortgage Loan Services Agreement Side Letter, each Servicing Agreement, each Servicer Side Letter, each Power of Attorney and any and all other documents and agreements executed and delivered by Seller in connection with this Agreement or any Transactions hereunder, as the same may be amended, restated or otherwise modified from time to time as agreed between the parties.

“Fannie Mae” shall mean the Federal National Mortgage Association or any successor thereto.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Federal Reserve Bank of New York’s Website” shall mean the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“FHA” means the Federal Housing Administration, an agency within the United States Department of Housing and Urban Development, or any successor thereto, and including the Federal Housing Commissioner and the Secretary of Housing and Urban Development where appropriate under the FHA Regulations.

“FHA Approved Mortgagee” means a corporation or institution approved as a mortgagee by the FHA under the National Housing Act, as amended from time to time, and applicable FHA Regulations, and eligible to own and service mortgage loans such as the FHA Loans.

“FHA Loan” means a Mortgage Loan which is the subject of an FHA Mortgage Insurance Contract.

“FHA Mortgage Insurance” means, mortgage insurance authorized under the National Housing Act, as amended from time to time, and provided by the FHA.

“FHA Mortgage Insurance Contract” means the contractual obligation of the FHA respecting the insurance of a Mortgage Loan.

“FHA Regulations” means the regulations promulgated by the Department of Housing and Urban Development under the National Housing Act, as amended from time to time and codified in 24 Code of Federal Regulations, and other Department of Housing and Urban Development issuances relating to FHA Loans, including the related handbooks, circulars, notices and mortgage letters.

“FICO” shall mean Fair Isaac & Co., or any successor thereto.

“Fidelity Insurance Policy” shall mean insurance coverage with respect to employee errors, omissions, dishonesty, forgery, theft, disappearance and destruction, robbery and safe burglary, property (other than money and securities) and computer fraud.

“Freddie Mac” shall mean the Federal Home Loan Mortgage Corporation or any successor thereto.

“GAAP” shall mean generally accepted accounting principles in the United States of America, applied on a consistent basis and applied to both classification of items and amounts, and shall include, without limitation, the official interpretations thereof by the Financial Accounting Standards Board, its predecessors and successors.

“GAAS” shall mean generally accepted auditing standards in the United States of America.

“Ginnie Mae” means the Government National Mortgage Association and any successor thereto.

“GLB Act” shall have the meaning set forth in Section 32(b) hereof.

“Government Agency” shall mean Ginnie Mae, Fannie Mae, Freddie Mac, USDA, FHA, VA or other Governmental Authority governing such Government Mortgage Loan.

“Government Mortgage Loan” means a first lien Mortgage Loan originated in accordance with the criteria of Ginnie Mae, Fannie Mae, Freddie Mac, USDA, FHA, VA or other Government Agency for purchase of Mortgage Loans.

“Governmental Authority” shall mean the United States, any state or other political subdivision thereof, any agency, authority or instrumentality thereof and any entity or authority exercising executive, legislative, taxing, judicial, regulatory or administrative functions of or pertaining to government, including any central bank, stock exchange, regulatory body, arbitrator, public sector entity, supra-national entity and any self-regulatory organization (including the National Association of Insurance Commissioners).

“Gross Margin” shall mean, with respect to each adjustable rate Mortgage Loan, the fixed percentage amount set forth in the related Mortgage Note.

“Guarantee” shall mean, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The terms “Guarantee” and “Guaranteed” used as verbs shall have correlative meanings.

“Haircut Amount” shall mean, with respect to an Eligible Mortgage Loan proposed for a Transaction hereunder, the difference, if any, between (a) with respect to (i) a Wet-Ink Mortgage Loan, the amount required to be sent to the Closing Agent and (ii) a Mortgage Loan other than a Wet-Ink Mortgage Loan, the amount required by the related warehouse lender to release its security interest therein less (b) the related Purchase Price.

“Hash Value” shall mean with respect to an eNote, the unique, tamper-evident digital signature of such eNote that is stored with the MERS eRegistry.

“High Cost Mortgage Loan” shall mean a mortgage loan classified as (a) a “high cost” loan under the Home Ownership and Equity Protection Act of 1994; (b) a “high cost,” “high risk,” “high rate,” “threshold,” “covered,” or “predatory” loan under any other applicable state, federal or local law (or a similarly classified loan using different terminology under a law, regulation or ordinance imposing heightened regulatory scrutiny or additional legal liability for residential mortgage loans having high interest rates, points and/or fees) or (c) having a percentage listed under the Indicative Loss Severity Column (the column that appears in the S&P Anti-Predatory Lending Law Update Table, included in the then-current S&P’s LEVELS® Glossary of Terms on Appendix E).

“HUD” shall mean the United States Department of Housing and Urban Development.

“Income” shall mean, with respect to any Purchased Mortgage Loan, without duplication, all principal and income or dividends or distributions or other amounts received with respect to such Purchased Mortgage Loan, including any insurance proceeds or interest payable thereon or any fees or payments of any kind, or other amounts received.

“Indebtedness” shall mean, with respect to any Person, at any time, and only to the extent outstanding at such time: (a) payment obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities (other than the sale of or issuance of debt securities which are Non-Recourse) or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within ninety (90) days after the date the respective goods are delivered or the respective services are rendered; (c) indebtedness which are payment obligations of others secured by a Lien on the Property of such Person, whether or not the respective obligations so secured has been assumed by such Person; (d) payment obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person; (e) Capital Lease Obligations of such Person; (f) payment obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements; (g) indebtedness which are payment obligations of others Guaranteed by such Person; (h) all payment obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person; and (i) indebtedness which are obligations of general partnerships of which such Person is a general partner.

“Indemnified Party” shall have the meaning set forth in Section 17(a) hereof.

“Index” means, with respect to any adjustable rate Mortgage Loan, the index identified on the Mortgage Loan Schedule and set forth in the related Mortgage Note for the purpose of calculating the applicable Mortgage Interest Rate.

“Insolvency Event” shall mean, for any Person:

- (a) that such Person or any Affiliate shall discontinue or abandon operation of its business; or
- (b) that such Person or any Affiliate shall fail generally to, or admit in writing its inability to, pay its debts as they become due; or
- (c) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of such Person or any Affiliate in an involuntary case under any applicable bankruptcy, insolvency, liquidation, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person or any Affiliate, or for any substantial part of its property, or for the winding-up or liquidation of its affairs; or
- (d) the commencement by such Person or any Affiliate of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or such Person’s or any Affiliate’s consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person, or for any substantial part of its property, or any general assignment for the benefit of creditors; or

(e) that such Person or any Affiliate shall become insolvent; or

(f) such Person or any Affiliate, or any of their Subsidiaries, shall take any corporate action in furtherance of, or the action of which would result in any of the actions set forth in the preceding clauses (a), (b), (c), (d) or (e).

“Intellectual Property” shall mean all rights, title and interests in or relating to intellectual property and industrial property arising under any Requirement of Law.

“Intercreditor Agreement” means that certain Second Amended and Restated Intercreditor Agreement, dated as of May 23, 2019, by and among Credit Suisse First Boston Mortgage Capital LLC, UBS AG, by and through its branch office at 1285 Avenue of the Americas, New York, New York, TIAA, FSB, formerly known as EverBank, Morgan Stanley Bank, N.A., Morgan Stanley Mortgage Capital Holdings LLC, LegacyTexas Bank (successor by merger to ViewPoint Bank, National Association), People’s United Bank, National Association, JPMorgan Chase Bank, National Association, Bank of America, N.A., Customers Bank, Sterling National Bank, Bank of Hope, Jefferies Funding LLC, Buyer and Seller, as may be amended, joined restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Interest Rate Adjustment Date” shall mean the date on which an adjustment to the Mortgage Interest Rate with respect to each Mortgage Loan becomes effective.

“Interest Rate Protection Agreement” means, with respect to any or all of the Purchased Mortgage Loans, any short sale of a US Treasury Security, or futures contract, or mortgage related security, or Eurodollar futures contract, or options related contract, or interest rate swap, cap or collar agreement, or similar arrangement providing for protection against fluctuations in interest rates or the exchange of nominal interest obligations, either generally or under specific contingencies, entered into by Seller.

“Investment Company Act” shall mean the Investment Company Act of 1940, as amended from time to time.

“Joint Securities Agreement” shall mean that certain Second Amended and Restated Joint Securities Account Control Agreement, dated as of May 23, 2019, by and among Credit Suisse First Boston Mortgage Capital LLC, UBS AG, by and through its branch office at 1285 Avenue of the Americas, New York, New York, TIAA, FSB, formerly known as EverBank, Morgan Stanley Bank, N.A., Morgan Stanley Mortgage Capital Holdings LLC, LegacyTexas Bank (successor by merger to ViewPoint Bank, National Association), People’s United Bank, National Association, JPMorgan Chase Bank, National Association, Bank of America, N.A., Customers Bank, Sterling National Bank, Bank of Hope, Jefferies Funding LLC, Buyer, Seller the Securities Intermediary, as the same may be amended from time to time.

“Jumbo Mortgage Loan” shall mean a Mortgage Loan where the original outstanding principal amount of such Mortgage Loan exceeds the eligibility limits for purchases by Freddie Mac or Fannie Mae.

“LIBOR Rate” shall mean the offered rate per annum for one-month deposits of Dollars that appears on Bloomberg Screen US0001M Page, as of 11:00 A.M. (New York time) on any date of determination (rounded up to the nearest whole multiple of [***]%).

“Lien” shall mean any lien, claim, charge, restriction, pledge, security interest, mortgage, deed of trust or other encumbrance.

“Loan Program Authority” shall mean, with respect to Government Mortgage Loans, the applicable Government Agency, or with respect to Jumbo Mortgage Loans, the applicable Take-out Investor.

“Location” shall mean with respect to an eNote, the location of such eNote which is established by reference to the MERS eRegistry.

“Manufactured Home” shall mean any dwelling unit built on a permanent chassis and attached to a permanent foundation system.

“Margin Call” shall have the meaning assigned thereto in Section 7(a) hereof.

“Margin Deficit” shall have the meaning assigned thereto in Section 7(a) hereof.

“Margin Payment” shall have the meaning assigned thereto in Section 7(a) hereof.

“Market Value” shall mean, as of any date of determination, for each Purchased Mortgage Loan, the whole-loan servicing released fair market value of such Purchased Mortgage Loan as may be reasonably determined by Buyer (or an Affiliate thereof) in its reasonable discretion (which determination may be performed on a daily basis, at Buyer’s discretion and may take into account such factors as Buyer deems reasonably appropriate).

“Master Securities Forward Transaction Agreement” means that certain Master Securities Forward Transaction Agreement, dated as of March 20, 2017, between BMO Capital Markets Corp. and Seller.

“Master Servicer” shall mean, with respect to an eNote, the party that is designated in the MERS eRegistry as the “Master Servicer”, and that in such capacity is authorized by the Controller to perform certain MERS® eRegistry transactions on behalf of the Controller.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, when taken as a whole, the Property, business, operations or condition of Seller (financial or otherwise), (b) a material impairment of the ability of Seller to perform its obligations under any of the Facility Documents to which it is a party and to avoid any Event of Default, (c) a material adverse effect upon the validity or enforceability of any of the Facility Documents, or (d) a material adverse effect upon the validity or enforceability of the rights and remedies of Buyer under any of the Facility Documents; in each case as determined by Buyer in its reasonable discretion.

“Maximum Aggregate Purchase Price” shall have the meaning assigned thereto in the Pricing Side Letter.

“Maximum Transaction Duration” means the number of days that a Purchased Mortgage Loan can be subject to a Transaction as set forth in the Pricing Side Letter.

“MERS” shall mean Mortgage Electronic Registration Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor thereto.

“MERS Designated Mortgage Loan” shall mean any Mortgage Loan registered with MERS on the MERS System.

“MERS eDelivery” shall mean the transmission system operated by the Electronic Agent that is used to deliver eNotes, other Electronic Records and data from one MERS eRegistry

member to another using a system-to-system interface and conforming to the standards of the MERS eRegistry.

“MERS eRegistry” shall mean the electronic registry operated by the Electronic Agent that acts as the legal system of record that identifies the Controller, Delegatee, Master Servicer, Subservicer (if any) and Location of the Authoritative Copy of registered eNotes.

“MERS System” shall mean the mortgage electronic registry system operated by the Electronic Agent that tracks changes in Mortgage ownership, mortgage servicers and servicing rights ownership.

“Minimum Margin Threshold” shall mean \$[***].

“Minimum Price Differential Amount” shall have the meaning assigned thereto in the Pricing Side Letter.

“MOM Mortgage Loan” shall mean any Mortgage Loan as to which MERS is acting as mortgagee, solely as nominee for the originator of such Mortgage Loan and its successors and assigns.

“Monthly Payment” shall mean the scheduled monthly payment of principal and interest on a Mortgage Loan.

“Moody’s” shall mean Moody’s Investors Service, Inc. or any successors thereto.

“Mortgage” shall mean each mortgage, or deed of trust, security agreement and fixture filing, deed to secure debt, or similar instrument creating and evidencing a first Lien on real property and other property and rights incidental thereto.

“Mortgage File” shall have the meaning set forth in the Custodial and Disbursement Agreement.

“Mortgage Interest Rate” shall mean the rate of interest borne on a Mortgage Loan from time to time in accordance with the terms of the related Mortgage Note.

“Mortgage Interest Rate Cap” shall mean, with respect to an adjustable rate Mortgage Loan, the limit on each Mortgage Interest Rate adjustment as set forth in the related Mortgage Note.

“Mortgage Loan” shall mean any Government Mortgage Loan, any Scratch and Dent Mortgage Loan, any Jumbo Mortgage Loan or any Construction to Permanent Mortgage Loan, which is a fixed or floating-rate, one-to-four-family residential loan evidenced by a Mortgage Note and secured by a Mortgage.

“Mortgage Note” shall mean the promissory note (including, with respect to an eMortgage Loan, the related eNote) or other evidence of the indebtedness of a Mortgagor secured by a Mortgage.

“Mortgaged Property” shall mean the real property securing repayment of the debt evidenced by a Mortgage Note.

“Mortgagor” shall mean the obligor or obligors on a Mortgage Note, including any Person who has assumed or guaranteed the obligations of the obligor thereunder.

“Multiemployer Plan” shall mean a “multiemployer plan” as defined in Section 3(37) of ERISA as to which Seller or any ERISA Affiliate thereof has made contributions during the current year or the immediately preceding five (5) years or is required to make contributions or has any actual or potential liability.

“Negative Amortization” shall mean the portion of interest accrued at the Mortgage Interest Rate in any month which exceeds the Monthly Payment on the related Mortgage Loan for such month and which, pursuant to the terms of the Mortgage Note, is added to the principal balance of the Mortgage Loan.

“Net Income” shall mean, for any period and any Person, the net income of such Person for such period determined in accordance with GAAP.

“Net Operating Income” shall mean, with respect to any Person, such Person’s Net Income before income tax plus depreciation.

“Net Worth” shall mean, with respect to any Person, an amount equal to, on a consolidated basis, such Person’s stockholder equity (determined in accordance with GAAP).

“Non-Defaulting Party” shall have the meaning set forth in Section 31(b) hereof.

“Non-Excluded Taxes” shall mean Taxes other than, in the case of Buyer, (a) Taxes that are imposed on its overall net income (however denominated), franchise Taxes) and branch profits Taxes by the jurisdiction under the laws of which Buyer is organized or of its applicable lending office, or any political subdivision thereof, unless such Taxes are imposed as a result of Buyer having executed, delivered or performed its obligations or received payments under, or enforced, this Agreement or any of the other Facility Documents (in which case such Taxes will be treated as Non-Excluded Taxes) and (b) any withholding Taxes imposed under FATCA.

“Non-Recourse” shall mean, with respect to any specified Person, Indebtedness that is specifically advanced to finance the acquisition of property or assets and secured only by property or assets to which such Indebtedness relates without recourse to such Person (other than subject to such customary carve-out matters for which such Person acts as a guarantor in connection with such Indebtedness, such as bad boy acts, fraud, misappropriation, breach of representation and warranty, misapplication, and environmental matters); provided that, notwithstanding the foregoing, if any Indebtedness that would be Non-Recourse Indebtedness but for the fact that such Indebtedness is made with recourse to other assets or to the Seller, then only the portion of such Indebtedness that is recourse to such other assets or to the Seller shall be deemed not to be Non-Recourse Indebtedness, and all other Indebtedness shall be deemed to be Non-Recourse Indebtedness.

“Obligations” shall mean any due and unpaid amounts owed by Seller to Buyer in connection with any or all Transactions hereunder, together with interest thereon (including interest which would be payable as post-petition interest in connection with any bankruptcy or similar proceeding) and all other due and unpaid fees, or reasonable expenses which are payable to Buyer hereunder or arising under any of the Facility Documents.

“OFAC” shall have the meaning set forth in Section 13(bb) hereof.

“Officer’s Compliance Certificate” shall mean a certificate of a Responsible Officer of Seller in the form of Exhibit G hereto.

“Operating Account” shall mean the account established pursuant to Section 10(c) hereof.

“Other Taxes” shall have the meaning set forth in Section 8(b) hereof.

“PBGC” shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Permits” shall mean, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance or permission from, and any other Contractual Obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Person” shall mean any individual, corporation, company, voluntary association, partnership, joint venture, limited liability company, trust, unincorporated association or government (or any agency, instrumentality or political subdivision thereof.)

“Plan” shall mean an employee benefit plan as defined in Section 3(3) of ERISA (other than a Multiemployer Plan) that is subject to the provisions of Title IV of ERISA or Section 412 of the Code that is or was at any time during the current year or immediately preceding five (5) years established, maintained or contributed to by Seller or any ERISA Affiliate thereof or with respect to which Seller or any ERISA Affiliate thereof has any actual or potential liability.

“Pooled Mortgage Loan” means any (a) Mortgage Loan that is subject to a Transaction hereunder and is part of a pool of Mortgage Loans certified by the Custodian to an Agency for the purpose of being swapped for an Agency Security backed by such pool, in each case, in accordance with the terms of guidelines issued by such Agency and (b) any Agency Security to the extent received in exchange for, and backed by a pool of, Mortgage Loans subject to a Transaction hereunder.

“Pooling Documents” means each of the original schedules, forms and other documents (other than the Mortgage Note) required to be delivered by or on behalf of Seller with respect to a Pooled Mortgage Loan to an Agency and/or Buyer and/or Custodian, as further described in the Custodial and Disbursement Agreement.

“Post-Default Rate” shall have the meaning assigned thereto in the Pricing Side Letter.

“Power of Attorney” shall mean a power of attorney in the form of Exhibit F hereto delivered by Seller.

“Price Differential” shall mean, with respect to any Purchased Mortgage Loan as of any date of determination, the aggregate amount obtained by daily application of the applicable Pricing Rate (or, during the continuation of an Event of Default, by daily application of the Post-Default Rate) for the related Purchased Mortgage Loan to the Purchase Price for such Purchased Mortgage Loan on a 360 day per year basis for the actual number of days elapsed during the period commencing on (and including) the Purchase Date for such Purchased Mortgage Loan and ending on (but excluding) the Repurchase Date for such Purchased Mortgage Loan (reduced by any amount of such Price Differential in respect of such period previously paid by Seller to Buyer with respect to such Purchased Mortgage Loan).

“Price Differential Collection Period” shall mean, with respect to each Purchased Mortgage Loan and Price Differential Payment Date (except for the initial Price Differential Payment Date for such Purchased Mortgage Loan), the period that commences on the first (1st) day of the preceding month and ends on the last day of such month. The Price Differential Collection Period with respect to the initial Price Differential Payment Date for a Purchased

Mortgage Loan shall be the period that commences on the applicable Purchase Date and ends on the last day of such month.

“Price Differential Payment Date” shall mean (i) the fifth (5th) calendar day of the month, or the next succeeding Business Day, if such calendar day shall not be a Business Day and (ii) the Termination Date.

“Pricing Rate” shall have the meaning assigned thereto in the Pricing Side Letter.

“Pricing Side Letter” shall mean that certain amended and restated letter agreement between Buyer and Seller, dated as of December 29, 2020, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Professional Liability Insurance Policy” shall mean a professional liability insurance policy to be maintained by the Seller.

“Property” shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

“Purchase Date” shall mean the date on which Purchased Mortgage Loans are transferred by Seller to Buyer or its designee. The “Purchase Date” shall include, with respect to Construction to Permanent Mortgage Loans, any Purchase Price Increase Date.

“Purchase Price” means, with respect to each Purchased Mortgage Loan, the price at which such Purchased Mortgage Loan is transferred by Seller to Buyer, which shall equal:

(a) on the Purchase Date, the Asset Value of such Purchased Mortgage Loan as of the Purchase Date;

(b) on any day after the related Purchase Date, the amount determined under the immediately preceding clause (a) decreased by the amount of any cash previously transferred by the Seller to Buyer and applied to reduce the Purchase Price of such Purchased Mortgage Loan. The Purchase Price with respect to a Construction to Permanent Mortgage Loan may be increased pursuant to a Purchase Price Increase.

“Purchase Price Increase” shall have the meaning set forth in Section 3(c)(vi).

“Purchase Price Increase Date” shall have the meaning set forth in Section 3(c)(vi).

“Purchase Price Percentage” shall have the meaning assigned thereto in the Pricing Side Letter.

“Purchased Mortgage Loan Issue” shall mean, with respect to any Purchased Mortgage Loan as determined in Buyer’s good faith and commercially reasonable discretion, (i) the related Mortgage Note, Mortgage or related guarantee, if any, are determined to be unenforceable; (ii) there has occurred and is continuing a Representation Issue; (iii) the underlying Mortgaged Property is found to have an Environmental Issue, for which Seller or the related Mortgagor does not promptly set up an escrowed reserve in an amount reasonably acceptable to Buyer; (iv) federal, state or local law enforcement agencies have seized the underlying Mortgaged Property or (v) such Purchased Mortgage Loan is either in active forbearance or has been more than thirty (30) days contractually past due.

“Purchased Mortgage Loans” shall mean the collective reference to the Eligible Mortgage Loans that are purchased by Buyer and listed on the Asset Schedule attached to the related

Transaction Notice (as Appendix I or otherwise), including the related Mortgage Files for which the Custodian has been instructed to hold pursuant to the Custodial and Disbursement Agreement.

“Qualified Originator” shall mean an originator of Mortgage Loans which is reasonably acceptable under the Underwriting Guidelines.

“Rating Agency” shall mean, each of Fitch, Inc., Moody’s and S&P, as applicable.

“Records” shall mean all instruments, agreements and other books, records, and reports and data generated by other media for the storage of information maintained by Seller or any other Person or entity with respect to a Mortgage Loan. Records shall include the Mortgage Notes, any Mortgages, the Mortgage Files, the credit files related to the Mortgage Loan and any other instruments necessary to document or service a Mortgage Loan.

“Register” shall have the meaning set forth in Section 22(b) hereof.

“Regulations T, U and X” shall mean Regulations T, U and X” of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

“Relevant Governmental Body” shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Reportable Event” shall mean any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under PBGC Reg. § 4043.

“Reporting Period” means the thirtieth (30th) calendar day after the end of each calendar month.

“Representation Issue” shall mean Buyer’s determination that there is a breach of a representation and warranty with respect to a Purchased Mortgage Loan (including a breach of any representation set forth on Schedule 1-A or Schedule 1-B hereof, as applicable), which breach materially and adversely affects the value of such Mortgage Loan or Buyer’s interest therein, as reasonably determined by Buyer in its sole discretion.

“Repurchase Assets” shall have the meaning provided in Section 9(a)(i) hereof.

“Repurchase Date” shall mean the earliest of (x) the Termination Date, (y) any date determined by application of the respective Maximum Transaction Duration, (z) the date on which Seller is to repurchase the Purchased Mortgage Loans subject to a Transaction from Buyer on a date requested pursuant to Section 3(e) or Section 4 hereof, including any date determined by application of the provisions of Sections 3 or 4 or 15 hereof.

“Repurchase Notice” shall have the meaning provided in Section 4(c) hereof.

“Repurchase Price” shall mean, with respect to any Purchased Mortgage Loan as of any date of determination, an amount equal to the applicable Purchase Price minus (A) any payments made by or on behalf of Seller in reduction of the outstanding Repurchase Price in each case before or as of such determination date with respect to such Purchased Mortgage Loan, plus (B) the sum of (i) any accrued and unpaid Price Differential, (ii) any increased costs, indemnification amounts, taxes and breakage fees allocable the repurchase of such Purchased Mortgage Loan,

and (iii) any other amounts due and payable under this Agreement with respect to such Purchased Mortgage Loan, pursuant to the Pricing Side Letter.

“Required Insurance Policy” shall mean any Fidelity Insurance Policy, Errors and Omissions Insurance Policy, Professional Liability Insurance Policy or any other insurance policy that may be required by Buyer.

“Requirement of Law” shall mean with respect to any Person, the common law and any federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“Reserve Account” shall mean a segregated account established at Reserve Account Bank, in the name of Seller and subject to a Reserve Account Control Agreement with Buyer and for which Seller shall grant to Buyer any online access Seller has to such account.

“Reserve Account Bank” shall mean BMO Harris Bank N.A., and any successor thereto under the Reserve Account Control Agreement.

“Reserve Account Control Agreement” shall mean a springing account control agreement providing the Buyer with control over the Reserve Account upon the occurrence of an Event of Default.

“Reserve Account Threshold” shall have the meaning set forth in the Pricing Side Letter.

“Responsible Officer” (a) as to any Person, the chief executive officer or, with respect to financial matters, the chief financial officer of such Person, and (b) as to Seller, any manager or director or managing member.

“S&P” shall mean Standard & Poor’s Ratings Services, or any successor thereto.

“Sanctioned Country” shall have the meaning set forth in Section 13(bb) hereof.

“Sanctions” shall have the meaning set forth in Section 13(bb) hereof.

“Scratch and Dent Mortgage Loan” shall mean a first lien Mortgage Loan (i) originated by Seller in accordance with the criteria of a Government Mortgage Loan or Jumbo Mortgage Loan, as applicable, except such Mortgage Loan is not eligible for sale to the original Take-out Investor or has been subsequently repurchased from such original Take-out Investor, in each case, for reasons other than fraud or delinquent payment under such Mortgage Loan, (ii) is acceptable to Buyer in its sole discretion and (iii) which is not thirty (30) or more days delinquent.

“SDN List” shall have the meaning set forth in Section 13(bb) hereof.

“Section 4402” shall have the meaning set forth in Section 31 hereof.

“Section 8 Certificate” shall have the meaning set forth in Section 8(e)(ii) hereof.

“Securities Issuance Failure” shall mean the failure of a pool of Pooled Mortgage Loans to back the issuance of an Agency Security.

“Securities Intermediary” shall mean Deutsche Bank National Trust Company, or any successor thereto under the Joint Securities Agreement.

“Security Release Certification” shall have the meaning set forth in Section 3(b)(xx) hereof.

“Seller” shall mean United Wholesale Mortgage, LLC.

“Seller Employees” shall have the meaning set forth in Section 14(m) hereof.

“Servicer” shall mean (a) Cenlar, FSB or Nationstar Mortgage, LLC d/b/a Mr. Cooper or (b) any other third-party servicer or sub-servicer approved by Buyer in its reasonable discretion to service or sub-service Purchased Mortgage Loans.

“Servicer Side Letter” shall have the meaning set forth in Section 18(c) hereof.

“Servicer Termination Event” shall mean (i) the occurrence and continuance of an Event of Default hereunder or (ii) with respect to any Servicer (1) the occurrence and continuance of an event of default under the related Servicing Agreement, (2) such Servicer shall become the subject of an Insolvency Event, (3) such Servicer shall admit its inability to, or its intention not to, perform any of its obligations under the Facility Documents, or (4) the failure of such Servicer to perform its obligations under any of the Facility Documents to which it is a party or the related Servicing Agreement, including, without limitation, the failure of such Servicer to (A) remit funds in accordance with Section 5(a)(i) hereof, or (B) deliver reports when required, in each case which failure shall continue uncured by such Servicer for more than five (5) Business Days after receipt of notice of such failure by such Servicer.

“Servicing Agent” shall mean with respect to an eNote, the field entitled, “Servicing Agent” in the MERS eRegistry.

“Servicing Agreement” with respect to any Purchased Mortgage Loan serviced or sub-serviced by a Servicer, shall mean the servicing agreement entered into among such Servicer, Seller and any other related parties thereto, which form and substance has been approved by Buyer, as the same may be amended from time to time.

“Servicing Rights” shall mean rights of any Person to administer, manage, service or subservice, the Purchased Mortgage Loans or to possess related Records.

“Settlement Account” shall mean the following account

[***]

“Settlement Date” means, with respect to Pooled Mortgage Loans subject to a Transaction, the date specified as the contractual delivery and settlement date in the related Take-out Commitment pursuant to which Buyer or its designee under the Joint Securities Account Control Agreement has the right to deliver Agency Securities to the Take-out Investor.

“SOFR” shall mean, with respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“Subordinated Debt” means, for any Person, Indebtedness of such Person which is (a) unsecured, (b) no part of the principal of such Indebtedness is required to be paid (whether by way of mandatory sinking fund, mandatory redemption, mandatory prepayment or otherwise) prior to the date which is one year following the Termination Date and (c) the payment of the principal of and interest on such Indebtedness and other obligations of such Person in respect of such Indebtedness are subordinated to the prior payment in full of the principal of and interest (including post-petition obligations) on the Transactions and all other obligations and liabilities of such Person to Buyer hereunder, in each case, on terms and conditions approved in writing by Buyer and all other terms and conditions of which are reasonably satisfactory in form and substance to Buyer.

“Subservicer Field” shall mean, with respect to an eNote, the field entitled “Subservicer” in the MERS eRegistry.

“Subsidiary” shall mean, with respect to any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

“Take-out Commitment” shall mean a commitment of Seller to sell one or more Purchased Mortgage Loans to a Take-out Investor in an arms-length, all cash transaction and the corresponding Take-out Investor’s commitment back to Seller to effectuate the foregoing.

“Take-out Investor” shall mean (a) an Agency or (b) any Person (other than an Affiliate of Seller) that has entered into a Take-out Commitment; provided that to the extent Purchased Mortgage Loans are sent pursuant to a Bailee Letter with a third party bailee that is not a nationally known bank prior to purchase, such third party bailee must be approved by Buyer in its good faith and reasonable discretion.

“Taxes” shall have the meaning set forth in Section 8(a) hereof.

“Term SOFR” shall mean, with respect to any Transaction for any day, the Term SOFR Reference Rate for a one month tenor, as such rate is published by the Term SOFR Administrator for such day at 6:00 a.m. (New York City time); provided, however, that if as of 5:00 p.m. (New York City time) the Term SOFR Reference Rate for the foregoing tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to Term SOFR has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator.

“Term SOFR Administrator” shall mean CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Buyer in its sole discretion).

“Term SOFR Reference Rate” shall mean the forward-looking term rate based on SOFR.

“Termination Date” shall have the meaning assigned thereto in the Pricing Side Letter.

“Transaction” shall have the meaning set forth in Section 1 hereof.

“Transaction Notice” shall mean a request from Seller to Buyer, which may be by electronic means (including e-mail), to enter into a Transaction.

“Transfer of Control” shall mean with respect to an eNote, a MERS eRegistry transfer transaction used to request a change to the current Controller of such eNote.

“Transfer of Control and Location” shall mean with respect to an eNote, a MERS eRegistry transfer transaction used to request a change to the current Controller and Location of such eNote.

“Transfer of Location” shall mean with respect to an eNote, a MERS eRegistry transfer transaction used to request a change to the current Location of such eNote.

“Transfer of Servicing” shall mean with respect to an eNote, a MERS eRegistry transfer transaction used to request a change to the current Master Servicer or Subservicer (if any) of such eNote.

“Transferable Record” shall mean an Electronic Record under E-SIGN and UETA that (i) would be a note under the Uniform Commercial Code if the Electronic Record were in writing, (ii) the issuer of the Electronic Record has expressly agreed is a “transferable record”, and (iii) for purposes of E-SIGN, relates to a loan secured by real property.

“Trust Receipt” shall have the meaning set forth in the Custodial and Disbursement Agreement.

“UETA” shall mean the official text of the Uniform Electronic Transactions Act as approved by the National Conference of Commissioners on Uniform State Laws at its annual conference on July 29, 1999.

“Unadjusted Benchmark Replacement” shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“Unauthorized Servicing Modification” shall mean, with respect to an eNote, a Transfer of Location, a Transfer of Servicing or a change in any other information, status or data initiated by the Master Servicer, Subservicer (if any) or a Vendor of the Master Servicer or Subservicer (if any) with respect to such eNote on the MERS® eRegistry.

“Uncommitted Amount” shall have the meaning assigned thereto in the Pricing Side Letter.

“Underwriting Guidelines” means the standards, procedures and guidelines of Seller for underwriting and acquiring Mortgage Loans, which are set forth in the written policies and procedures of Seller, which have previously been provided and such other guidelines as are identified and approved in writing by Buyer (such approval not to be unreasonably delayed or denied).

“Underwriting Package” shall mean with respect to any proposed Purchased Mortgage Loan, the Asset Schedule listing such proposed Purchased Mortgage Loan and such other computer readable file or other information requested by Buyer during the course of its due diligence and delivered prior to the date of a Transaction for such proposed Purchased Mortgage Loan containing, with respect to the related proposed Purchased Mortgage Loan, information in form and substance acceptable to Buyer in its sole and reasonable discretion, together with a

certification that Seller has no actual knowledge of any material information concerning such proposed Purchased Mortgage Loan which is not reflected in such file or otherwise disclosed to Buyer in writing.

“Uniform Commercial Code” or “UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any Repurchase Assets or the continuation, renewal or enforcement thereof is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

“U.S. Government Securities Business Day” shall mean any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Special Resolution Regime” shall mean each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

“USA Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended.

“USDA” means the United States Department of Agriculture.

“USDA Mortgage Loan” means a Mortgage Loan that is guaranteed by the USDA’s Guaranteed Rural Housing Loan Program.

“VA” shall mean the U.S. Department of Veterans Affairs, an agency of the United States of America, or any successor thereto including the Secretary of Veterans Affairs.

“VA Approved Lender” shall mean a lender which is approved by the VA to act as a lender in connection with the origination of VA Loans.

“VA Loan” shall mean a Mortgage Loan which is subject of a VA Loan Guaranty Agreement as evidenced by a loan guaranty certificate.

“VA Loan Guaranty Agreement” shall mean the obligation of the United States to pay a specific percentage of a Mortgage Loan (subject to a maximum amount) upon default of the Mortgagor pursuant to the Servicemen’s Readjustment Act, as amended.

“Vendor” shall mean, with respect to an eNote, a party recognized by MERS as a “vendor” authorized to perform certain MERS eRegistry transactions on behalf of a MERS eRegistry participant.

“Wet-Ink Mortgage Loan Document Receipt Date” shall mean (a) the eleventh (11th) calendar day following the related Purchase Date with respect to a Wet-Ink Mortgage Loan that is not an eMortgage Loan and (b) the fifth (5th) Business Day following the related Purchase Date with respect to a Wet-Ink Mortgage Loan that is an eMortgage Loan.

“Wet-Ink Mortgage Loan” shall mean a Mortgage Loan originated by Seller in a transaction table-funded by Buyer, which origination or table funding is financed in part or in

whole with proceeds of Transactions and as to which the Custodian has not yet received the related Mortgage File. A Mortgage Loan shall cease to be a Wet-Ink Mortgage Loan on the date on which Buyer has received a Trust Receipt and Exception Report from the Custodian with respect to such Mortgage Loan confirming that the Custodian has physical possession of the related Mortgage File (as defined in the Custodial and Disbursement Agreement) and that there are no Exceptions (as defined in the Custodial and Disbursement Agreement) with respect to such Mortgage Loan. No Mortgage Loan that is table-funded by Seller or any third party shall be eligible as a Wet-Ink Mortgage Loan under this Agreement.

“Wet-Ink Transaction” shall mean a Transaction in which a Wet-Ink Mortgage Loan is the Purchased Mortgage Loan. A Wet-Ink Transaction shall cease to be a Wet-Ink Transaction on the date that the underlying Wet-Ink Mortgage Loan ceases to be a Wet-Ink Mortgage Loan (in accordance with the definition thereof).

Section 3. The Transactions.

Prior to the occurrence of an Event of Default and subject to the terms and conditions set forth herein, Buyer shall, with respect to the Committed Amount, and may in its sole and absolute discretion, with respect to the Uncommitted Amount, from time to time, enter into Transactions with Seller in an aggregate principal amount that will not result in the Aggregate Facility Purchase Price for all Purchased Mortgage Loans subject to then outstanding Transactions under this Agreement, together with any Eligible Mortgage Loans that are being offered by Seller for purchase under such Transaction to exceed, as of any date determination, the Maximum Aggregate Purchase Price. Within the foregoing limits and subject to the terms and conditions set forth herein, Seller and Buyer may enter into Transactions. Notwithstanding anything contained in this Agreement to the contrary, Buyer shall only have an obligation to enter into Transactions with an aggregate outstanding Purchase Price of up to the Committed Amount, and shall have no obligation to enter into Transactions with respect to the Uncommitted Amount. Unless otherwise agreed to in writing between Buyer and Seller, all purchases of Eligible Mortgage Loans subject to outstanding Transactions at any time shall be first deemed committed up to the Committed Amount and then the remainder, if any, shall be deemed uncommitted up to the Uncommitted Amount. Buyer shall not have the right to terminate any Transactions with respect to the Uncommitted Amount after the Purchase Date until the related Repurchase Date.

(a) Conditions Precedent to Initial Transaction. Buyer’s agreement (if any) to enter into the initial Transaction hereunder is subject to the satisfaction, immediately prior to or concurrently with the making of such Transaction, of the condition precedent that Buyer shall have received from Seller any actual fees and reasonable expenses payable hereunder, and all of the following documents, each of which shall be satisfactory to Buyer and its counsel in form and substance:

(i) Facility Documents. The Facility Documents, duly executed by the parties thereto;

(ii) Opinions of Counsel. (A) A security interest creation and perfection, general corporate, Investment Company Act and enforceability opinion or opinions of outside counsel to Seller; (B) a Michigan law opinion of internal counsel to Seller; and (C) a Bankruptcy Code opinion of outside counsel to Seller with respect to matters outlined in Section 33, each of which shall be in a form acceptable to Buyer in its sole discretion;

(iii) Organizational Documents. A certificate of existence of Seller delivered to Buyer prior to the Effective Date and copies of the organizational

documents of Seller and evidence of all corporate or other authority for Seller with respect to the execution, delivery and performance of the Facility Documents to which it is a party and each other document to be delivered by Seller from time to time in connection herewith;

(iv) Good Standing Certificates. A certified copy of a good standing certificate from the jurisdiction of organization of Seller, dated as of no earlier than the date that is fifteen (15) Business Days prior to the date hereof;

(v) Incumbency Certificates. An incumbency certificate of the manager, member, director or other similar officer of Seller certifying the names, true signatures and titles of the representatives duly authorized to request transactions hereunder and to execute the Facility Documents to which it is a party;

(vi) Security Interest. Evidence that all other actions necessary to perfect and protect the sale, transfer, conveyance and assignment by Seller to Buyer or its designee, subject to the terms of this Agreement, of all of Seller's right, title and interest it may have in and to the Purchased Mortgage Loans, the Repurchase Assets, and other items pledged under Section 9(a) together with all right, title and interest in and to the proceeds of any related Repurchase Assets have been taken, including in each case performing UCC searches and duly authorized and filing Uniform Commercial Code financing statements on Form UCC-1;

(vii) Insurance. Evidence that the Seller has added Buyer as an additional loss payee under the Seller's Fidelity Insurance Policy and as a direct loss payee with right of action under the Errors and Omissions Insurance Policy or Professional Liability Insurance Policy, copies of which are attached hereto as Exhibit C;

(viii) Reserve Account. Evidence that the Reserve Account has been established, per the terms of this Agreement, and contains at least the Reserve Account Threshold; and

(ix) Other Documents. Such other readily available documents as Buyer may reasonably request, in form and substance reasonably acceptable to Buyer.

(b) Conditions Precedent to all Transactions. Upon satisfaction of the conditions set forth in Section 3(a) hereof, and subject to the limitations set forth in the first paragraph of Section 3, Buyer shall, with respect to the Committed Amount, and may, with respect to the Uncommitted Amount, enter into a Transaction with Seller. Buyer's entering into each Transaction (including the initial Transaction) is subject to the satisfaction of the following further conditions precedent, both immediately prior to entering into such Transaction and also after giving effect thereto to the intended use thereof:

(i) Due Diligence Review. Without limiting the generality of Section 20 hereof, Buyer shall have completed, to its satisfaction, its due diligence review of the related Mortgage Loans, Seller and the Servicer;

(ii) No Default. No Default or Event of Default shall have occurred and be continuing under the Facility Documents;

(iii) Representations and Warranties; Eligible Mortgage Loans. Both immediately prior to the Transaction and also after giving effect thereto and to the intended use thereof, the representations and warranties made by Seller in Section 13 hereof and on Schedule 1-A or Schedule 1-B hereto, as applicable, in respect of the related Purchased Mortgage Loan, shall be true, correct and complete on and as of such Purchase Date in all material respects with the same force and effect as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(iv) Maximum Purchase Price. After giving effect to the requested Transaction, the Aggregate Facility Purchase Price subject to then outstanding Transactions under this Agreement shall not exceed the Maximum Aggregate Purchase Price;

(v) No Purchased Mortgage Loan Issue; No Margin Deficit. As of the related Purchase Date, (A) Seller shall not have failed to repurchase any Purchased Mortgage Loan pursuant to a repurchase request by Buyer pursuant to Section 4 hereof following the occurrence of a Purchased Mortgage Loan Issue with respect to such Purchased Mortgage Loan, and (B) no Margin Deficit shall have occurred and be continuing with respect to any Purchased Mortgage Loans. Additionally, after giving effect to the requested Transaction, no Purchased Mortgage Loan Issue or Margin Deficit shall have occurred or be continuing with respect to the related Purchased Mortgage Loans;

(vi) Transaction Notice. Seller shall have delivered to Buyer (a) a Transaction Notice and (b) an Asset Schedule;

(vii) Delivery of Mortgage File. Seller shall have delivered to the Custodian the Mortgage File with respect to each Mortgage Loan that is not a Wet-Ink Mortgage Loan and that is subject to the proposed Transaction, and the Custodian shall have issued a Trust Receipt showing no exceptions with respect to each such Mortgage Loan to Buyer as of the related Purchase Date all subject to and in accordance with the Custodial and Disbursement Agreement;

(viii) Construction to Permanent Mortgage Loan Services Agreement Side Letter. Prior to any Transaction with respect to a Construction to Permanent Mortgage Loan, Buyer shall have received a duly executed copy of the Construction to Permanent Mortgage Loan Services Agreement Side Letter.

(ix) Approval of Servicing Agreement. To the extent not previously delivered and approved, Buyer shall have, in its good faith and commercially reasonable discretion, approved each Servicing Agreement pursuant to which any Mortgage Loan that is subject to such Transaction is to be serviced during the term of such Transaction;

(x) Servicer Side Letter. To the extent the related Purchased Mortgage Loans are to be serviced or sub-serviced by a Servicer other than Seller, Buyer shall have received a Servicer Side Letter with respect to such Purchased Mortgage Loans;

(xi) Fees and Expenses. Buyer shall have received all actual fees and reasonable expenses due and payable to Buyer as of the related Purchase Date, including, but not limited to, all actual fees and reasonable expenses of outside

counsel to Buyer and due diligence vendors as contemplated by Sections 17(b) and 20 which amounts, at Buyer's option, may be withheld from the proceeds remitted by Buyer to Seller pursuant to any Transaction hereunder;

(xii) Requirements of Law. Buyer shall not have determined in good faith that the introduction of or a change in any Requirement of Law or in the interpretation or administration of any Requirement of Law applicable to Buyer has made it unlawful, and no Governmental Authority shall have asserted that it is unlawful, for Buyer to enter into Transactions hereunder;

(xiii) No Material Adverse Change. None of the following shall have occurred and be continuing:

(A) an event or events shall have occurred in the good faith and commercially reasonable determination of Buyer resulting in the effective absence of a "repo market" or comparable "lending market" for financing debt obligations secured by securities or an event or events shall have occurred resulting in Buyer not being able to finance Mortgage Loans through the "repo market" or "lending market" with traditional counterparties at rates which would have been reasonable prior to the occurrence of such event or events; or

(B) an event or events shall have occurred resulting in the effective absence of a "securities market" for securities backed by Mortgage Loans or an event or events shall have occurred resulting in Buyer not being able to sell securities backed by Mortgage Loans at prices which would have been reasonable prior to such event or events; or

(C) there shall have occurred a material adverse change in the financial condition of Buyer which affects (or will affect) materially and adversely the ability of Buyer to fund its obligations under this Agreement; or

(D) there shall have occurred (i) a material change in financial markets, a material outbreak or escalation of hostilities or a material change in national or international political, financial or economic conditions; (ii) a general suspension of trading on major stock exchanges; or (iii) a disruption in or moratorium on commercial banking activities or securities settlement services, in any case, having a material adverse effect on Seller's ability to meet its financial obligations under this Agreement;

(xiv) Certification. Each Transaction Notice delivered by Seller hereunder shall constitute a certification by Seller that all the conditions set forth in this Section 3(b) have been, or will be on the related Purchase Date, satisfied (both as of the date of such notice or request and as of Purchase Date);

(xv) Repurchase Date. The Repurchase Date for each Transaction shall not be later than the then current Termination Date;

(xvi) Reserve Account. Evidence that the Reserve Account contains at least the Reserve Account Threshold;

(xvii) Evidence of Ownership/Acquisition. Buyer shall have received evidence satisfactory to it that either (i) Seller owns the proposed Mortgage Loans

prior to remittance of the Purchase Price by Buyer or that (ii) upon remittance of the Buyer's Purchase Price to the third party that owns the proposed Mortgage Loans, the full acquisition price for such Mortgage Loans shall have been paid to such owner and that Seller will thereupon own the proposed Mortgage Loans;

(xviii) Correspondent Seller. With respect to each Correspondent Mortgage Loan, the related Correspondent Seller shall be approved by Buyer on or prior to the Purchase Date, and Seller shall not have received notice from Buyer that such Correspondent Seller is no longer approved;

(xix) Pooled Mortgage Loans. Prior to giving effect to any Transaction with respect to any Pooled Mortgage Loan, Buyer shall be added as a party to (i) the Intercreditor Agreement and (ii) the Joint Securities Account Control Agreement, in each case, duly executed and delivered by the parties thereto.

(xx) Other Documents. Subject to any confidentiality requirements, such other easily accessible documents as Buyer may reasonably request, consistent with market practices, in form and substance reasonably acceptable to Buyer.

(xxi) Security Release Certification. With respect to each Purchased Mortgage Loan that is subject to a security interest (including any precautionary security interest) immediately prior to the Purchase Date, Buyer shall have received a Security Release Certification substantially in form attached hereto as Exhibit H (a "Security Release Certification") for such Purchased Mortgage Loan that is duly executed by the related secured party and Seller. If necessary, such secured party shall have filed UCC termination statements in respect of any UCC filings made in respect of such Purchased Mortgage Loan, and each such release and UCC termination statement has been delivered to Buyer prior to each Transaction and to the Custodian as part of the Mortgage File.

(c) Initiation (Transactions other than Wet-Ink Transactions).

(i) Unless otherwise agreed, Seller may request that Buyer enter into a Transaction with respect to any Eligible Mortgage Loans on any Business Day during the period from the Effective Date to and excluding the Termination Date, by delivering to Buyer an Asset Schedule and a Transaction Notice, with a copy to the Custodian, which Asset Schedule and Transaction notice must be received by Buyer prior to 2:00 p.m. (New York City time) on the requested Purchase Date, and delivery of such Transaction Notice shall be deemed a representation and warranty that Seller has no actual knowledge of any material information concerning such Eligible Mortgage Loan which is not reflected in such Asset Schedule or Transaction Notice or other information or otherwise disclosed to Buyer in writing. Buyer shall have the right to review the information set forth on the Transaction Notice and accompanying Asset Schedule, the Underwriting Package and the Eligible Mortgage Loans proposed to be subject to a Transaction as Buyer determines during normal business hours. In the event the Asset Schedule provided by Seller contains erroneous computer data, is not formatted properly or the computer fields are otherwise improperly aligned, Buyer shall provide written or electronic notice to Seller describing such error and Seller shall correct the computer data, reformat or properly align the computer fields itself and resubmit the Asset Schedule as required herein.

(ii) Upon Seller's request to enter into a Transaction pursuant to Section 3(c)(i) and assuming all conditions precedent set forth in this Section 3 have been met and provided that no Default or Event of Default shall have occurred and be continuing, on the requested Purchase Date, Buyer may, in its sole discretion purchase the Eligible Mortgage Loans included in the related Transaction Notice pursuant to the terms of this Agreement. In connection with entering into such Transaction, the Seller shall remit to Buyer or its designated agent the applicable Haircut Amount and Buyer shall send, or cause to be sent, the Purchase Price and Haircut Amount to the applicable warehouse lender as directed by Seller.

(iii) Each Transaction Notice together with this Agreement, shall be conclusive evidence of the terms of the Transaction(s) covered thereby.

(iv) Subject to the terms and conditions of this Agreement, during such period Seller may sell to, repurchase from and resell to Buyer Eligible Mortgage Loans hereunder.

(v) Seller shall deliver to the Custodian, in accordance with the terms of the Custodial and Disbursement Agreement, the Mortgage File pertaining to each Mortgage Loan to be sold to Buyer hereunder on the requested Purchase Date. Upon Buyer's receipt of the Trust Receipt in accordance with the Custodial and Disbursement Agreement and subject to the provisions of this Section 3, to the extent that Buyer agrees in its sole discretion to fund the related Purchase Price on the Purchase Date, such aggregate Purchase Price for the related Transaction shall then be made available to Seller by Buyer transferring, via wire transfer, in the aggregate amount of such Purchase Prices in funds immediately available in accordance with Section 10(b).

(vi) With respect to a Construction to Permanent Mortgage Loan, in connection with the advance of any amounts by Seller to fund a draw by the related Mortgagor, Buyer may, in its sole discretion, upon written request by Seller, assuming all conditions precedent set forth in this Section 3 have been met, and provided no Event of Default shall have occurred and be continuing, agree to increase the Purchase Price with respect to the related Construction to Permanent Mortgage Loan in an amount equal to the product of (1) the Purchase Price Percentage times (2) the amount of the draw by the related Mortgagor (a "Purchase Price Increase"). Prior to the date that Buyer funds a Purchase Price Increase with respect to a Construction to Permanent Mortgage Loan (such date, a "Purchase Price Increase Date"), Seller shall hire an inspector acceptable to Buyer in its sole reasonable discretion to review and visit the related Mortgaged Property. Such inspector shall provide Buyer with an inspection report that supports the related Purchase Price Increase. On each Purchase Price Increase Date, Seller shall pay to Buyer the Construction to Permanent Mortgage Loan Funding Fee. With respect to any Purchase Price Increase Date, Seller shall request such Purchase Price Increase prior to 2:00 p.m. (New York City time). The Purchase Price Increase with respect to a Construction to Permanent Mortgage Loan shall be disbursed directly to either a settlement agent or the builder of the related Mortgaged Property, as Buyer shall determine in its sole reasonable discretion, pursuant to the Construction to Permanent Mortgage Loan Services Agreement.

(d) Initiation (Wet-Ink Transactions).

(i) Seller may request a Wet-Ink Transaction hereunder, on any Business Day during the period from the Effective Date to and excluding the Termination Date, by delivering to Buyer, with a copy to the Custodian, no more than four (4) transmissions, which transmissions shall attach a Transaction Notice and Asset Schedule with respect to the related Mortgage Loans; provided that following delivery of a Disbursement Agent Termination Notice (as defined in the Custodial and Disbursement Agreement), Seller may deliver more than four (4) transmissions. The latest transmission must be received by the Buyer no later than 4:30 p.m. (New York City time), on such Purchase Date. Such Transaction Notice shall specify the requested Purchase Date. In the event the Asset Schedule provided by Seller contains erroneous computer data, is not formatted properly or the computer fields are otherwise improperly aligned, Buyer shall provide written or electronic notice to Seller describing such error and Seller shall correct the computer data, reformat or properly align the computer fields itself and resubmit the Asset Schedule as required herein.

(ii) Seller shall deliver (or cause to be delivered) and release to the Custodian the Mortgage File pertaining to such Wet-Ink Mortgage Loans on the next Business Day following receipt of such Mortgage File by Seller, but in any event no later than the Wet-Ink Mortgage Loan Document Receipt Date in accordance with the terms and conditions of the Custodial and Disbursement Agreement. On the applicable Purchase Date and on each Business Day following the applicable Purchase Date, no later than 5:00 p.m. (New York City time), pursuant to the Custodial and Disbursement Agreement, the Custodian shall deliver to Buyer a schedule listing each Wet-Ink Mortgage Loan with respect to which the complete Mortgage File has not been received by the Custodian (the “**Wet-Aged Report**”). Buyer may confirm that the information in the Wet-Aged Report is consistent with the information provided to the Buyer pursuant to Section 3(d)(i).

(iii) Upon the Seller’s request for a Transaction pursuant to Section 3(d)(i), the Buyer may, upon satisfaction of all conditions precedent set forth in Sections 3(a) and 3(b) hereof, and provided that no Default or Event of Default shall have occurred and be continuing, enter into a Transaction with Seller on the requested Purchase Date, in the amount so requested.

(iv) Upon notice from the Closing Agent to Seller that a Wet-Ink Mortgage Loan was not originated, such Wet-Ink Mortgage Loan shall be removed from the list of Eligible Mortgage Loans, and the Closing Agent shall return the funds via wire transfer directly to the Settlement Account of Buyer within twenty-four (24) hours. The Seller shall notify Buyer in writing if a Wet-Ink Mortgage Loan was not originated and has been removed from the list of Eligible Mortgage Loans. In connection with entering into such Transaction, the Seller shall remit to Buyer or its designated agent the applicable Haircut Amount and Buyer shall send, or cause to be sent, the Purchase Price and Haircut Amount to the Closing Agent as directed by Seller.

(e) eNotes. In addition to the requirements set forth in Sections 3(c) and (d) above, with respect to each eNote the Seller shall cause (in accordance with the terms of the Custodial and Disbursement Agreement), (i) the Authoritative Copy of the related eNote to be delivered to the eVault via a secure electronic file, (ii) the Controller status of the related eNote to be transferred to Buyer, (iii) the Location status of the related eNote to be transferred to Custodian, (iv) the Delegatee status of the related eNote to be transferred to Custodian, (v) the Master Servicer status of the related eNote to be

transferred to Seller and (vi) the Subservicer status of the related eNote to be transferred to the related subservicer, if any, in each case using MERS eDelivery and the MERS eRegistry.

Section 4. Repurchases.

(a) Seller shall repurchase the related Purchased Mortgage Loans from Buyer without penalty or premium on each related Repurchase Date. On the Repurchase Date for any Transaction, termination of such Transaction will be effected by reassignment to Seller or its designee of the Purchased Mortgage Loans subject to such Transaction against the simultaneous transfer of the Repurchase Price (excluding the amounts identified in clause (B) of the definition of Repurchase Price, which, for the avoidance of doubt, shall be paid on the next succeeding Price Differential Payment Date) to the Settlement Account of Buyer. Buyer shall instruct the Custodian to release the Mortgage Files with respect to each repurchased Purchased Mortgage Loan to Seller or its designee at Seller's expense on the related Repurchase Date.

(b) So long as no Default or Event of Default has occurred or is continuing, Seller may effect a repurchase in connection with the sale or disposition of Purchased Mortgage Loans to a Take-out Investor or other applicable buyer; provided that Seller shall not be permitted to repurchase any Purchased Mortgage Loan if the release of such Purchased Mortgage Loans would result in a Margin Deficit, unless such Margin Deficit is simultaneously cured by Seller in connection with such repurchase by Seller. If Seller intends to make such a repurchase, by no later than 5:00 p.m. (New York City time) on the desired Repurchase Date, Seller shall or shall cause the Take-out Investor or other applicable buyer to (i) provide Buyer with a purchase advice notice identifying the Purchased Mortgage Loan(s) being repurchased and the related take-out price(s), and (ii) make payment directly to the Settlement Account of Buyer in an amount equal to the aggregate net proceeds to be received by Seller in connection with the related sale. Buyer shall promptly apply such funds to the Repurchase Price of the related Mortgage Loans and shall promptly remit any excess to Seller; provided, that Buyer shall have no obligation to apply payments in the event that it is unable to identify the Purchased Mortgage Loans to which such payments correspond.

(c) Without limiting Buyer's rights and remedies under Section 7 hereof or otherwise, if at any time there has occurred a Purchased Mortgage Loan Issue with respect to any Purchased Mortgage Loan, Buyer may, at its option, by notice to Seller (as such notice is more particularly set forth below, a "Repurchase Notice"), require Seller or its designee to repurchase such Purchased Mortgage Loan by remitting the related Repurchase Price (excluding the amounts identified in clause (B) of the definition of Repurchase Price, which, for the avoidance of doubt, shall be paid on the next succeeding Price Differential Payment Date) to the Settlement Account of Buyer as soon as is practicable but, in any case, not more than two (2) Business Days after Buyer has delivered such Repurchase Notice to Seller.

(d) Buyer's election, in its sole and absolute discretion, not to send a Repurchase Notice at any time a Purchased Mortgage Loan is no longer an Eligible Mortgage Loan shall not in any way limit or impair its right to send a Repurchase Notice at a later time.

(e) The fact that Buyer has conducted or has failed to conduct any partial or complete due diligence investigation in connection with its purchase of any Purchased Mortgage Loan shall not affect Buyer's right to demand repurchase or any other remedy as permitted under this Agreement.

Section 5. Income Payments; Price Differential.

(a) Income Payments.

(i) If Income is paid in respect of any Purchased Mortgage Loans during the term of a Transaction, such Income shall be the property of Buyer. Upon the occurrence and during the continuance of an Event of Default, Seller shall, and shall cause Servicer to, deposit all Income into the account set forth in Section 10(a) hereof.

(ii) Notwithstanding any provision to the contrary in this Section 5, within two (2) Business Days of receipt by Seller or Servicer of any prepayment of principal in full, with respect to a Purchased Mortgage Loan, Seller shall or shall cause Servicer to remit such amount directly to the Settlement Account of Buyer and Buyer shall immediately apply any such amount received to reduce the amount of the Repurchase Price due upon termination of the related Transaction and shall promptly remit any excess to Seller; provided, that Buyer shall have no obligation to apply payments in the event that it is unable to identify the Purchased Mortgage Loans to which such payments correspond.

(iii) Notwithstanding the preceding provisions, if an Event of Default has occurred and is continuing, all funds received by Buyer pursuant to this Section 5 shall be applied to reduce the Obligations as determined by Buyer in its sole discretion; provided further, upon demand by Seller, Buyer will deliver reasonable detailed evidence of all such calculations and determinations to Seller.

(b) Price Differential.

(i) On each Business Day that a Transaction is outstanding, the Pricing Rate shall be reset and, unless otherwise agreed, the accrued and unpaid Price Differential for each Price Differential Collection Period shall be settled in cash on the following Price Differential Payment Date. Notwithstanding the foregoing, the payment of any Price Differential for any Price Differential Collection Period shall be at least equal to the Minimum Price Differential Amount. Two (2) Business Days prior to the Price Differential Payment Date, Buyer shall give Seller written or electronic notice of the amount of the Price Differential due on such Price Differential Payment Date. On the Price Differential Payment Date, Seller shall pay to Buyer the Price Differential for such Price Differential Payment Date (along with any other amounts due from Seller under this Agreement or any other Facility Document), by wire transfer in immediately available funds to the account set forth in Section 10(a) hereof.

(ii) If Seller fails to pay all or part of the Price Differential by 3:00 p.m. (New York City time) on the related Price Differential Payment Date, with respect to any Purchased Mortgage Loans, Seller shall be obligated to pay to Buyer (in addition to, and together with, the amount of such Price Differential) interest on the unpaid Repurchase Price at a rate per annum equal to the Post-Default Rate until the Price Differential is received in full by Buyer. For the avoidance of doubt, Seller's obligation to pay any Price Differential to Buyer shall not be deemed to be satisfied (and such Price Differential shall not be deemed to be paid to Buyer) until the amount of such Price Differential is actually received by Buyer in the account of Buyer that is referenced in Section 10(a) of this Agreement (and not the Settlement Account or any other account); provided

further, upon written request by Seller, Buyer will deliver reasonable detailed evidence of all such calculations and determinations to Seller.

Section 6. Requirements Of Law.

(a) If any Requirement of Law or any change in the interpretation or application thereof or compliance by Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject Buyer to any Tax or increased Tax of any kind whatsoever with respect to this Agreement or any Transaction or change the basis of taxation of payments to Buyer in respect thereof;

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, or other extensions of credit by, or any other acquisition of funds by, any office of Buyer which is not otherwise included in the determination of Term SOFR hereunder; or

(iii) shall impose upon Buyer any other material condition;

and the result of any of the foregoing is to increase the cost to Buyer, by an amount which Buyer deems to be material, of entering, continuing or maintaining any Transaction or to reduce any amount due or owing hereunder in respect thereof, then, in any such case, Seller shall promptly pay Buyer such additional amount or amounts as calculated by Buyer in good faith and commercially reasonable manner as will compensate Buyer for such increased cost or reduced amount receivable, solely to the extent the terms referenced herein affect all of Buyer's similarly situated counterparties and such amounts could not have been reasonably mitigated by Buyer.

(b) If Buyer shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by Buyer or any corporation controlling Buyer with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on Buyer's or such corporation's capital as a consequence of its obligations hereunder to a level below that which Buyer or such corporation could have achieved but for such adoption, change or compliance (taking into consideration Buyer's or such corporation's policies with respect to capital adequacy) by an amount deemed by Buyer to be material, then from time to time, Seller shall promptly pay to Buyer such additional amount or amounts as will compensate Buyer for such reduction.

(c) If Buyer becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify Seller of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this Section submitted by Buyer to Seller shall be conclusive in the absence of manifest or demonstrable error.

Section 7. Margin Maintenance.

(a) If on any Business Day, the aggregate outstanding Purchase Price of all Purchased Mortgage Loans subject to Transactions is greater than the aggregate Asset Value of such Purchased Mortgage Loans subject to Transactions (a "Margin Deficit"), and such Margin Deficit is greater than the Minimum Margin Threshold, then Buyer may

by notice to Seller (as such notice is more particularly set forth below, a “Margin Call”), require Seller to transfer to Buyer cash in an amount at least equal to the Margin Deficit (such amount, a “Margin Payment”).

(b) If Buyer delivers a Margin Call to Seller on or prior to 10:00 a.m. (New York City time) on any Business Day, then Seller shall transfer the Margin Payment to Buyer or its designee no later than 5:30 p.m. (New York City time) on such Business Day. In the event Buyer delivers a Margin Call to Seller after 10:00 a.m. (New York City time) on any Business Day, Seller shall be required to transfer the Margin Payment no later than 2:00 p.m. (New York City time) on the following Business Day.

(c) Seller shall transfer any Margin Payment to the account of Buyer that is referenced in Section 10(a) of this Agreement.

(d) In the event that a Margin Deficit exists with respect to any Purchased Mortgage Loans, Buyer may retain any funds received by it to which the Seller would otherwise be entitled hereunder, which funds (i) shall be held by Buyer against the related Margin Deficit and (ii) may be applied by Buyer against the Repurchase Price of any Purchased Mortgage Loan for which the related Margin Deficit remains otherwise unsatisfied. Notwithstanding the foregoing, Buyer retains the right, in its sole discretion, to make a Margin Call in accordance with the provisions of this Section 7.

(e) The failure of Buyer, on any one or more occasions, to exercise its rights hereunder, shall not change or alter the terms and conditions of this Agreement or limit the right of Buyer to do so at a later date. Seller and Buyer each agree that a failure or delay by Buyer to exercise its rights hereunder shall not limit or waive Buyer’s rights under this Agreement or otherwise existing by law or in any way create additional rights for Seller.

Section 8. Taxes.

(a) Any and all payments by Seller under or in respect of this Agreement or any other Facility Documents to which Seller is a party shall be made free and clear of, and without deduction or withholding for or on account of, any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities (including penalties, interest and additions to tax) with respect thereto, whether now or hereafter imposed, levied, collected, withheld or assessed by any taxation authority or other Governmental Authority (collectively, “Taxes”), unless required by law. If Seller shall be required under any applicable Requirement of Law to deduct or withhold any Taxes from or in respect of any sum payable under or in respect of this Agreement or any of the other Facility Documents to Buyer, (i) Seller shall make all such deductions and withholdings in respect of Taxes, (ii) Seller shall pay the full amount deducted or withheld in respect of Taxes to the relevant taxation authority or other Governmental Authority in accordance with any applicable Requirement of Law, and (iii) if such Tax is a Non-Excluded Tax, then the sum payable by Seller shall be increased as may be necessary so that after Seller has made all required deductions and withholdings (including deductions and withholdings applicable to additional amounts payable under this Section 8) Buyer receives an amount equal to the sum it would have received had no such deductions or withholdings been made.

(b) In addition, Seller hereby agrees to pay to the relevant Governmental Authority in accordance with applicable Requirement of Law any present or future stamp, recording, documentary, excise, property or value-added taxes, or similar taxes, charges or levies that arise from any payment made under or in respect of this Agreement or any

other Facility Document or from the execution, delivery or registration of, any performance under, or otherwise with respect to, this Agreement or any other Facility Document (collectively, “Other Taxes”).

(c) Seller hereby agrees to indemnify Buyer for, and to hold it harmless against, the full amount of (i) Non-Excluded Taxes and (ii) to the extent not otherwise described in (ii), Other Taxes (“Indemnified Taxes”), and the full amount of Indemnified Taxes imposed on amounts payable by Seller under this Section 8 imposed on or paid by Buyer and any liability (including penalties, additions to tax, interest and reasonable and documented expenses) arising therefrom or with respect thereto. The indemnity by Seller provided for in this Section 8(c) shall apply and be made whether or not the Non-Excluded Taxes or Other Taxes for which indemnification hereunder is sought have been correctly or legally imposed or asserted. Amounts payable by Seller under the indemnity set forth in this Section 8(c) shall be paid within ten (10) days from the date on which Buyer makes written demand therefor.

(d) Buyer hereby agrees to indemnify Seller, within ten (10) days after demand therefor, for any Indemnified Taxes attributable to such Buyer, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Buyer by the Seller shall be conclusive absent manifest error.

(e) Within thirty (30) days after the date of any payment of Taxes by the Seller to a Governmental Authority pursuant to this Section 8, Seller (or any Person making such payment on behalf of Seller) shall furnish to Buyer for its own account a certified copy of the original official receipt evidencing payment thereof.

(f) For purposes of subsection (f) of this Section 8, the terms “United States” and “United States person” shall have the meanings specified in section 7701 of the Code. Each Buyer (including for avoidance of doubt any assignee, successor or participant) that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Facility Documents shall deliver to Seller, at the time or times reasonably requested by the Seller, such properly completed and executed documentation reasonably requested by the Seller as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Buyer, if reasonably requested by the Seller, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Seller as will enable the Seller to determine whether or not such Buyer is subject to backup withholding or information reporting requirements. Each Buyer shall deliver the following documentation:

(i) in the case of a Buyer that is not a United States person, or is a foreign disregarded entity for U.S. federal income tax purposes that is entitled to provide such form, a complete and executed (x) U.S. Internal Revenue Form W-8BEN or U.S. Internal Revenue Form W-8BEN-E in which Buyer claims the benefits of a tax treaty with the United States, if applicable, providing for a zero or reduced rate of withholding (or any successor forms thereto), including all appropriate attachments or (y) a U.S. Internal Revenue Service Form W-8ECI (or any successor forms thereto); or

(ii) in the case of an individual, (x) a complete and executed U.S. Internal Revenue Service Form W-8BEN (or any successor forms thereto) and, if applicable, a certificate substantially in the form of Exhibit D (a “Section 8”

Certificate”) or (y) a complete and executed U.S. Internal Revenue Service Form W-9 (or any successor forms thereto); or

(iii) in the case of a Buyer that is a United States person, a complete and executed U.S. Internal Revenue Service Form W-9 (or any successor forms thereto), including all appropriate attachments; or

(iv) in the case of a Buyer that (x) is not organized under the laws of the United States, any State thereof, or the District of Columbia and (y) is treated as a corporation for U.S. federal income tax purposes, a complete and executed U.S. Internal Revenue Service Form W-8BEN-E (or any successor forms thereto) and, if applicable, a Section 8 Certificate; or

(v) in the case of a Buyer that (A) is treated as a partnership or other non-corporate entity, and (B) is not organized under the laws of the United States, any State thereof, or the District of Columbia, (x)(i) a complete and executed U.S. Internal Revenue Service Form W-8IMY (or any successor forms thereto) (including all required documents and attachments) and (ii) if applicable, a Section 8 Certificate, and (y) without duplication, with respect to each of its beneficial owners and the beneficial owners of such beneficial owners looking through chains of owners to individuals or entities that are treated as corporations for U.S. federal income tax purposes (all such owners, “beneficial owners”), the documents that would be provided by each such beneficial owner pursuant to this Section if such beneficial owner were Buyer; provided, however, that no such documents will be required with respect to a beneficial owner to the extent the actual Buyer is determined to be in compliance with the requirements for certification on behalf of its beneficial owner as may be provided in applicable U.S. Treasury regulations, or the requirements of this clause (v) are otherwise determined to be unnecessary; or

(vi) in the case of a Buyer that is disregarded for U.S. federal income tax purposes, the document that would be provided by its beneficial owner pursuant to this Section if such beneficial owner were Buyer; or

(vii) in the case of a Buyer that (A) is not a United States person and (B) is acting in the capacity as an “intermediary” (as defined in U.S. Treasury Regulations), (x)(i) a U.S. Internal Revenue Service Form W-8IMY (or any successor form thereto) (including all required documents and attachments) and (ii) if applicable, a Section 8 Certificate, and (y) if the intermediary is a “non-qualified intermediary” (as defined in U.S. Treasury Regulations), from each person upon whose behalf the “non-qualified intermediary” is acting the documents that would be provided by each such person pursuant to this Section if each such person were Buyer.

(g) For any period with respect to which Buyer has failed to provide Seller with the appropriate form, certificate or other document described in subsection (f) of this Section 8 (other than (i) if such failure is due to a change in any applicable Requirement of Law, or in the interpretation or application thereof, occurring after the date on which a form, certificate or other document originally was required to be provided by Buyer, or (ii) if it is legally inadvisable or otherwise commercially disadvantageous for Buyer to deliver such form, certificate or other document), Buyer shall not be entitled to indemnification or additional amounts under subsection (a) or (c) of this Section 8 with respect to Non-Excluded Taxes imposed by the United States by reason of such failure; provided, however, that should a Buyer become subject to Non-Excluded Taxes because

of its failure to deliver a form, certificate or other document required hereunder, Seller shall take such steps as Buyer shall reasonably request, to assist Buyer in recovering such Non-Excluded Taxes.

(h) Without prejudice to the survival of any other agreement of Seller hereunder, the agreements and obligations of Seller contained in this Section 8 shall survive the termination of this Agreement. Nothing contained in this Section 8 shall require Buyer to make available any of its tax returns or any other information that it deems to be confidential or proprietary.

Section 9. Security Interest; Buyer's Appointment as Attorney-in-Fact.

(a) Security Interest. On each Purchase Date, Seller hereby sells, assigns and conveys to Buyer all right, title and interest in the Purchased Mortgage Loans listed on the related Asset Schedule to the extent of its rights therein, although the parties intend that all Transactions hereunder be sales and purchases and not loans (in each case, other than for accounting and tax purposes), in the event any such Transactions are deemed to be loans, and in any event, Seller, to the extent of its rights therein, hereby pledges to Buyer as security for the performance of the Obligations and hereby grants, assigns and pledges to Buyer a first priority security interest in Seller's rights, title and interest in:

(i) the Purchased Mortgage Loans, the Records related to the Purchased Mortgage Loans, all Servicing Rights related to the Purchased Mortgage Loans, all Agency Securities related to Pooled Mortgage Loans that are Purchased Mortgage Loans or right to receive any such Agency Security when issued to the extent backed by any of the Purchased Mortgage Loans, the Facility Documents (to the extent such Facility Documents and Seller's rights thereunder relate to the Purchased Mortgage Loans), any related Take-out Commitments related to such Purchased Mortgage Loans, any right to payment under the Joint Securities Agreement, any Property relating to any Purchased Mortgage Loan or the related Mortgaged Property, all insurance policies and insurance proceeds relating to any Purchased Mortgage Loan or any related Mortgaged Property, including but not limited to any payments or proceeds under any related primary insurance, hazard insurance and FHA Mortgage Insurance Contracts (if any) and VA Loan Guaranty Agreements (if any), any Income relating to any Purchased Mortgage Loan, the Reserve Account, the Operating Account, each Servicing Agreement and any other contract rights, accounts (including any interest of Seller in escrow accounts) and any other payments, rights to payment (including payments of interest or finance charges) and general intangibles to the extent that the foregoing relates to any Purchased Mortgage Loans and any other assets relating to the Purchased Mortgage Loans (including, without limitation, any other accounts) or any interest in the Purchased Mortgage Loans and any proceeds and distributions and any other property, rights, title or interests as are specified on a Trust Receipt and Exception Report with respect to any of the foregoing, in all instances, whether now owned or hereafter acquired, now existing or hereafter created in each case excluding any Take-out Commitments and to the extent Seller may not, pursuant to the provisions thereof, assign or transfer, or pledge or grant a security interest in, such Take-out Commitments without the consent of, or without violating its obligations to, the related Take-out Investor to such but only to the extent such provisions are not rendered ineffective against the Buyer under Article 9, Part 4 of the Uniform Commercial Code (collectively, the "Repurchase Assets").

(ii) The foregoing paragraph (i) is intended to constitute a security agreement or other arrangement or other credit enhancement related to the Agreement and transactions hereunder as defined under Section 101(47)(v) and 741(7)(xi) of the Bankruptcy Code.

(iii) Upon the repurchase of any Purchased Mortgage Loan by the Seller or the sale of a Purchased Mortgage Loan to any third party and receipt by Buyer in each case of the related Repurchase Price, with respect to any eMortgage Loan, the Buyer shall initiate a Transfer of Location of the eNotes and Delegatee status with respect thereto as may be directed by Seller.

(b) Servicing Rights. Without limiting the generality of the foregoing and in the event that Seller is deemed to retain any residual Servicing Rights, and for the avoidance of doubt, Seller grants, assigns and pledges to Buyer a first priority security interest in the Servicing Rights and proceeds related thereto and all of its contractual rights under the Servicing Agreement in respect of the servicing thereunder and in all instances, whether now owned or hereafter acquired, now existing or hereafter created, including all of Servicing Rights related to the Purchased Mortgage Loans. The foregoing provision is intended to constitute a security agreement or other arrangement or other credit enhancement related to this Agreement and Transactions hereunder as defined under Sections 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code.

(c) Financing Statements. Seller hereby authorizes Buyer to file such financing statement or statements relating to the Repurchase Assets as Buyer, at its option, may deem reasonable and necessary to protect Buyer's interest therein. Seller shall pay the filing costs for any financing statement or statements prepared pursuant to this Section 9.

(d) Buyer's Appointment as Attorney in Fact. Pursuant to a continuing Event of Default by Seller, Seller hereby irrevocably constitutes and appoints Buyer and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Seller and in the name of Seller or in its own name, from time to time in Buyer's good faith and commercially reasonable discretion, for the purpose of carrying out the terms of this Agreement and to take any and all necessary action and to execute any and all documents and instruments which may be reasonably necessary to accomplish the purposes of this Agreement, in each case, subject to the terms of this Agreement. Without limiting the generality of the foregoing, Seller hereby gives Buyer the power and right, on behalf of Seller without assent by, Seller if an Event of Default shall have occurred and be continuing, to do the following:

(i) in the name of Seller or in its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any Repurchase Assets and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed necessary by Buyer for the purpose of collecting any and all such moneys due with respect to any Repurchase Assets whenever payable;

(ii) to pay or discharge taxes and Liens levied or placed on or threatened against the Repurchase Assets;
and

(iii) (A) to direct any party liable for any payment under any Repurchase Assets to make payment of any and all moneys due thereunder

directly to Buyer or as Buyer shall direct, including, without limitation, any payment agent with respect to any Repurchase Asset; (B) to send “goodbye” letters on behalf of Seller and Servicer and Section 404 Notices; (C) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due at any time in respect of or arising out of any Repurchase Assets; (D) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any Repurchase Assets; (E) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Repurchase Assets or any proceeds thereof and to enforce any other right in respect of any Repurchase Assets; (F) to defend any suit, action or proceeding brought against Seller with respect to any Repurchase Assets; (G) to settle, compromise or adjust any suit, action or proceeding described in clause (F) above and, in connection therewith, to give such discharges or releases as Buyer may deem necessary and (H) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Repurchase Assets as fully and completely as though Buyer were the absolute owner thereof for all purposes, and to do, at Buyer’s option and Seller’s expense, at any time, and from time to time, all acts and things which Buyer deems necessary to protect, preserve or realize upon the Repurchase Assets and Buyer’s Liens thereon and to effect the intent of this Agreement, all as fully and effectively as Seller might do.

Seller hereby ratifies all that said attorneys shall lawfully do and cause to be done in compliance with this power of attorney. This power of attorney is a power coupled with an interest and shall be irrevocable. In addition the foregoing, Seller agrees to execute a Power of Attorney, the form of Exhibit F hereto, to be delivered on the date hereof. Seller and Buyer acknowledge that the Power of Attorney shall terminate on the Termination Date and satisfaction in full of the Obligations.

Seller also authorizes Buyer, if an Event of Default shall have occurred and is continuing, from time to time, to execute, in connection with any sale provided for in Section 16 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Repurchase Assets.

The powers conferred on Buyer hereunder are solely to protect Buyer’s interests in the Repurchase Assets and shall not impose any duty upon it to exercise any such powers. Buyer shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Seller for any act or failure to act hereunder, except for its or their own gross negligence or willful misconduct.

Section 10. Payment, Transfer And Remittance.

(a) Payments and Transfers of Funds. Unless otherwise mutually agreed in writing, all transfers of funds to be made by Seller hereunder shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to Buyer at the following account maintained by Buyer: [***], not later than 3:00 p.m. New York City time, on the date on which such payment shall become due (and each such payment made after such time shall be deemed to have been made on the next succeeding Business Day). Seller acknowledges that it has no rights of withdrawal from the foregoing account.

(b) Remittance of Purchase Price. On the Purchase Date for each Transaction, ownership of the Purchased Mortgage Loans shall be transferred to Buyer or its designee

against the simultaneous transfer of the Purchase Price to the account (or accounts) designated by Seller to Buyer simultaneously with the delivery to Buyer of the Purchased Mortgage Loans relating to such Transaction.

(c) Operating Account. From time to time, Seller may provide funds to Buyer for deposit to a non-interest bearing account (the "Operating Account"). The Buyer shall have non-exclusive withdrawal rights from the Operating Account. Seller acknowledges that Buyer acts as Seller's agent for the limited purpose of placing funds with the Buyer, and that funds held by Buyer as Seller's agent are not a deposit account or other liability of Buyer. Buyer shall maintain records of Seller's interest in the funds maintained in the Operating Account. Withdrawals may be paid by wire transfer or any other means chosen by Buyer from time to time in its sole discretion.

(d) Settlement Account. Disbursement Agent on behalf of Buyer has established the Settlement Account. Seller acknowledges that Buyer acts as Seller's agent for the limited purpose of placing funds with the Disbursement Agent, and that funds held by Buyer as Seller's agent are not a deposit account or other liability of Buyer. Buyer shall maintain records of Seller's interest in the funds maintained in the Settlement Account.

Section 11. Hypothecation or Pledge of Purchased Mortgage Loans. Title to all Purchased Mortgage Loans and Repurchase Assets shall pass to Buyer on the Purchase Date and Buyer shall have free and unrestricted use of all Purchased Mortgage Loans and Repurchase Assets, subject to the terms of this Agreement. Buyer may engage in repurchase transactions with the Purchased Mortgage Loans or Repurchase Assets or otherwise pledging, repledging, transferring, hypothecating, or rehypothecating the Purchased Mortgage Loans or Repurchase Assets. Nothing contained in this Agreement shall obligate Buyer to segregate any Purchased Mortgage Loans or Repurchase Assets delivered to Buyer by Seller.

Section 12. Fees. Seller shall pay to Buyer in immediately available funds, all amounts due and owing as set forth in Section 2 of the Pricing Side Letter.

Section 13. Representations. Seller represents and warrants to Buyer that as of the Purchase Date of any Purchased Mortgage Loans by Buyer from Seller and as of the date of this Agreement and any Transaction hereunder and at all times while this Agreement and any Transaction hereunder is in full force and effect:

(a) Acting as Principal. Seller will engage in such Transactions as principal (or, if agreed in writing in advance of any Transaction by the other party hereto, as agent for a disclosed principal).

(b) Intellectual Property. Seller and its Subsidiaries owns, or is licensed to use, all Intellectual Property necessary to conduct its business as currently conducted except for such Intellectual Property the failure of which to own or license would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. To the knowledge of Seller and its Subsidiaries, (a) the conduct and operations of the businesses of Seller and its Subsidiaries does not infringe, misappropriate, dilute or violate any Intellectual Property owned by any other Person and (b) no other Person has contested any right, title or interest of Seller and its Subsidiaries in, or relating to, any Intellectual Property, other than, in each case, as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Solvency. Neither the Facility Documents nor any Transaction thereunder are entered into in contemplation of insolvency or with intent to hinder, delay or defraud

any of Seller's creditors. The transfer of the Purchased Mortgage Loans subject hereto is not undertaken with the intent to hinder, delay or defraud any of Seller's creditors. Seller is not insolvent within the meaning of 11 U.S.C. Section 101(32) and the transfer and sale of the Purchased Mortgage Loans pursuant hereto (i) will not cause Seller to become insolvent, (ii) will not result in any property remaining with Seller to be unreasonably small capital with which to engage in its business, and (iii) will not result in debts that would be beyond Seller's ability to pay as same mature. Seller received reasonably equivalent value in exchange for the transfer and sale of the Purchased Mortgage Loans subject hereto.

(d) No Broker. Seller has not dealt with any broker, investment banker, agent, or other person, except for Buyer, who may be entitled to any commission or compensation in connection with the sale of Purchased Mortgage Loans pursuant to this Agreement.

(e) Ability to Perform. Seller has the ability to perform each and every covenant contained in the Facility Documents to which it is a party on its part to be performed.

(f) Existence. Seller and each of its respective Subsidiaries: (a) is a corporation, limited liability company or limited partnership, as applicable, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as applicable; (b) has the power and authority and all governmental licenses, authorizations, permits, consents and approvals to (i) own its assets and carry on its business as now being or as proposed to be conducted and (ii) execute, deliver, and perform its obligations under the Facility Documents to which it is a party; (c) is duly qualified as a foreign corporation, limited liability company or limited partnership, as applicable, and licensed and in good standing, under the laws of each jurisdiction in which the nature of the business conducted by it makes such qualification necessary other than as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and (d) is in compliance with all Requirements of Law.

(g) Environmental Matters. Seller and each of its respective Subsidiaries are and have been in compliance with all applicable Environmental Laws, including obtaining and maintaining all Permits required by any applicable Environmental Law.

(h) No Breach. Neither (a) the execution and delivery of the Facility Documents nor (b) the consummation of the transactions therein contemplated to be entered into by Seller in compliance with the terms and provisions thereof will conflict with or result in (i) a breach of the organizational documents of Seller, or (ii) a breach of any applicable law, rule or regulation that would reasonably be expected to have a Material Adverse Effect, or (iii) a breach of any order, writ, injunction or decree of any Governmental Authority that would reasonably be expected to have a Material Adverse Effect, or (iv) a breach of or default under another material agreement or instrument to which Seller is a party or by which Seller or any of its Property is bound or to which Seller is subject, or (v) the creation or imposition of any material Lien (except for the Liens created pursuant to the Facility Documents) upon any Property of Seller pursuant to the terms of any such agreement or instrument.

(i) Action. Seller has all necessary corporate or other power, authority and legal right to execute, deliver and perform its obligations under each of the Facility Documents to which it is a party; the execution, delivery and performance by Seller of each of the Facility Documents to which it is a party have been duly authorized by all

necessary corporate or other action on its part; and each Facility Document to which it is a party has been duly and validly executed and delivered by Seller.

(j) Approvals. No authorizations, approvals, exemptions or consents of, and no filings or registrations with, any Governmental Authority or any securities exchange are necessary for the execution, delivery or performance by Seller of the Facility Documents to which it is a party or for the legality, validity or enforceability thereof, except for filings and recordings in respect of the Liens created pursuant to the Facility Documents.

(k) Enforceability. This Agreement and all of the other Facility Documents executed and delivered by Seller, as applicable, in connection herewith are legal, valid and binding obligations of Seller, as applicable, are enforceable against Seller, as applicable, in accordance with their terms except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity.

(l) Indebtedness. Seller's Indebtedness as of the date of this Agreement is as set forth on Schedule 3.

(m) Labor Relations. There are no strikes, work stoppages, slowdowns or lockouts existing, pending (or, to the knowledge of Seller or its Subsidiaries, threatened) against or involving Seller or its Subsidiaries, except for those that would not, in the aggregate, reasonably be expected to have a Material Adverse Effect. (a) There is no collective bargaining or similar agreement with any union, labor organization, works council or similar representative covering any employee of Seller or its Subsidiaries, (b) no petition for certification or election of any such representative is existing or pending with respect to any employee of Seller or its Subsidiaries and (c) no such representative has sought certification or recognition with respect to any employee of Seller or its Subsidiaries.

(n) No Default. No Default or Event of Default has occurred and is continuing.

(o) Litigation. There are no actions, suits, arbitrations, investigations (including, without limitation, any of the foregoing which are pending or threatened) or other legal or arbitrable proceedings affecting Seller or any of its Subsidiaries or affecting any of the Property of any of them before any federal or state court or before any Governmental Authority that (i) questions or challenges the validity or enforceability of any of the Facility Documents or any action to be taken in connection with the transactions contemplated hereby, (ii) makes a claim in an aggregate amount greater than the greater of (x) \$[***] and (y) [***]% of Seller's Adjusted Tangible Net Worth, (iii) which, individually or in the aggregate, if not cured or if adversely determined, will have a Material Adverse Effect or constitute an Event of Default or (iv) relates to any violation of the Home Ownership and Equity Protection Act or any state, city or district high cost home mortgage or predatory lending law.

(p) Margin Regulations. The use of all funds acquired by Seller under this Agreement will not conflict with or contravene any of Regulations T, U or X promulgated by the Board of Governors of the Federal Reserve System as the same may from time to time be amended, supplemented or otherwise modified.

(q) Taxes. Seller has timely filed all tax returns that are required to be filed by it and has timely paid all Taxes, except for any such Taxes as are being appropriately

contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided. There are no Liens for Taxes, except for statutory Liens for Taxes not yet due and payable.

(r) Investment Company Act. Neither Seller nor any of its Subsidiaries is an “investment company”, or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act.

(s) Purchased Mortgage Loans.

(i) Seller has not assigned, pledged, or otherwise conveyed or encumbered any Purchased Mortgage Loan to Person other than Buyer or a Take-Out Investor.

(ii) Immediately prior to the sale of a Purchased Mortgage Loan to Buyer, Seller was the sole owner of such Purchased Mortgage Loan and had good and marketable title thereto, free and clear of all Liens, in each case except for Liens to be released simultaneously with the sale to Buyer hereunder.

(iii) The provisions of this Agreement are effective to either constitute a sale of the Repurchase Assets owned by Seller to Buyer or to create in favor of Buyer a valid security interest in all right, title and interest of Seller in, to and under any Repurchase Assets owned by Seller.

(t) Chief Executive Office/Jurisdiction of Organization. On the Effective Date, Seller’s chief executive office, is, and has been located at 585 South Blvd E, Pontiac, Michigan 48341. On the Effective Date, Seller’s jurisdiction of organization is Michigan.

(u) Location of Books and Records. The locations where Seller keeps its books and records, including all computer tapes and records related to the Repurchase Assets are its chief executive office and 6100 E. Paris Avenue, Caldonia, MI 49316.

(v) True and Complete Disclosure. The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of Seller to Buyer in connection with the negotiation, preparation or delivery of this Agreement and the other Facility Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of Seller to Buyer in connection with this Agreement and the other Facility Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to a Responsible Officer of Seller, after due inquiry, that could reasonably be expected to have a Material Adverse Effect that has not been disclosed herein, in the other Facility Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to Buyer for use in connection with the transactions contemplated hereby or thereby.

(w) ERISA.

(i) During the immediately preceding five (5) year period, (x) each Plan has complied in all material respects with the applicable provisions of the

Code and ERISA, (y) Seller and any ERISA Affiliate thereof has complied with its minimum funding requirements with respect to each Plan and Multiemployer Plan and (z) no Event of ERISA Termination has occurred resulting in any liability other than as would not reasonably be expected to have a Material Adverse Effect.

(ii) Seller is not currently or reasonably expects to be subject to any liability for a complete or partial withdrawal from a Multiemployer Plan.

(iii) Seller provides medical or health benefits to former employees as required by the Consolidated Omnibus Budget Reconciliation Act, as amended, or similar state or local law (collectively, "COBRA") at no cost to the employer.

(iv) None of Seller or any Subsidiaries or any ERISA Affiliate thereof has incurred a tax liability under Chapter 43 of the Code or a penalty under Section 502(i) of ERISA which has not been paid in full, except where the incurrance of such tax or penalty would not result in a Material Adverse Effect.

(v) The execution and delivery of, and performance under, the Loan Documents (including, without limitation, the Lender's exercise of its rights and remedies under the Loan Documents) will not constitute or otherwise result in a nonexempt "prohibited transaction" (as define din Section 406 of ERISA and Section 4975 of the Code).

(x) Material Adverse Effect. Since the date set forth in the most recent financial statements supplied to Buyer, there has been no development or event nor, to Seller's knowledge, any prospective development or event, which has had or will have a Material Adverse Effect.

(y) No Reliance. Seller has made its own independent decisions to enter into the Facility Documents and each Transaction and as to whether such Transaction is appropriate and proper for it based upon its own judgment and upon advice from such advisors (including without limitation, legal counsel and accountants) as it has deemed necessary. Seller is not relying upon any advice from Buyer as to any aspect of the Transactions, including without limitation, the legal, accounting or tax treatment of such Transactions.

(z) Plan Assets. Seller is not an employee benefit plan as defined in Section 3(3) of Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code, or an entity deemed to hold "plan assets" within the meaning of 29 CFR §2510.3-101, as modified by Section 3(42) of ERISA, and Seller is not acting on behalf of any of the foregoing. Seller is not subject to any state or local statute regulating investments of, or fiduciary obligations with respect to governmental plans within the meaning of Section 3(32) of ERISA, and the Purchased Mortgage Loans are not "plan assets" within the meaning of 29 CFR §2510.3-101, as modified by Section 3(42) of ERISA.

(aa) Anti-Money Laundering Laws. Seller and each Subsidiary of Seller is in compliance with all U.S. laws related to terrorism or money laundering ("Anti-Money Laundering Laws") including: (i) all applicable requirements of the Currency and Foreign Transactions Reporting Act of 1970 (31 U.S.C. 5311 et. seq., (the Bank Secrecy Act)), as amended by Title III of the USA Patriot Act, (ii) the Trading with the Enemy Act, (iii) Executive Order, any other enabling legislation, executive order or regulations issued pursuant or relating thereto and (iv) other applicable federal or state laws relating to "know your customer" or anti-money laundering rules and regulations. No action, suit or

proceeding by or before any court or Governmental Authority with respect to compliance with such Anti-Money Laundering Laws is pending or threatened to the knowledge of Seller and each Subsidiary of Seller.

(ab) Sanctions. Seller and each Subsidiary of Seller is in compliance in all material respects with all U.S. economic sanctions laws, the Executive Order, any other executive orders and implementing regulations (“Sanctions”) as administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) and the U.S. State Department. None of Seller nor any Subsidiary of Seller (i) is a Person on the list of the Specially Designated Nationals and Blocked Persons (the “SDN List”), (ii) is a person who is otherwise the target of U.S. economic sanctions laws such that a U.S. person cannot deal or otherwise engage in business transactions with such person, (iii) is a Person organized or resident in a country or territory subject to comprehensive Sanctions (a “Sanctioned Country”), or (iv) is owned or controlled by (including by virtue of such Person being a director or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any Person on the SDN List or a government of a Sanctioned Country such that the entry into, or performance under, this Agreement or any other Facility Document would be prohibited by U.S. law. Seller and each Subsidiary of Seller has instituted and will continue to maintain policies and procedures designed to ensure compliance by Seller, its Subsidiaries and their respective directors, officers, employees and agents with Sanctions, Anti-Money Laundering Laws and Anti-Corruption Laws.

(ac) Seller, and each Subsidiary of Seller is in compliance in all material respects with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”) (“Anti-Corruption Laws”). None of Seller nor any Subsidiary of Seller, nor to the knowledge of Seller, any director, officer, agent, employee, or other person acting on behalf of Seller or any Subsidiary of Seller, has taken any action, directly or indirectly, that would result in a violation of applicable Anti-Corruption Laws.

(ad) Brokers’ Fees; Transaction Fees. Except for fees payable to Buyer, neither Seller nor any of its Subsidiaries has any obligation to any Person in respect of any finder’s, broker’s or investment banker’s fee in connection with the transactions contemplated hereby.

(ae) Other Approvals. Seller is licensed as required in the state in which the related Mortgaged Property is located (to the extent such state has licensing requirements), with the facilities, procedures and experienced personnel necessary for the sound servicing of mortgage loans of the same type as the Purchased Mortgage Loans, and no event has occurred, including but not limited to a change in insurance coverage, any notice of any fines, penalty charges or other regulatory action, which would make Seller unable to comply with applicable Government Agency eligibility requirements or relevant state licensing requirements which would require notification to any Government Agency or the related state regulatory authority.

(af) Agency Approvals. To the extent required by Requirements of Law and/or necessary to issue an Agency Security, Seller and Servicer is (i) an FHA Approved Mortgagee, (ii) a VA Approved Lender and approved by Ginnie Mae as an approved issuer, (iii) approved by Fannie Mae as an approved lender, (iv) approved by Freddie Mac as an approved seller/servicer, and (v) to the extent necessary, approved by the Secretary of Housing and Urban Development pursuant to Sections 203 and 211 of the National Housing Act (collectively, the “Agency Approvals”). In each such case, Seller

is in good standing and Seller shall maintain all insurance requirements in accordance with the applicable Agency guidelines.

Section 14. Covenants Of Seller. On and as of the date of this Agreement and each Purchase Date and on each day until this Agreement is no longer in force, Seller covenants as follows:

- (a) Preservation of Existence; Compliance with Law.
 - (i) Seller shall preserve and maintain its legal existence;
 - (ii) Seller shall (A) comply with all Requirements of Law (including, without limitation, all Environmental Laws) and (B) shall not engage in any conduct or activity that could subject its assets to forfeiture or seizure;
 - (iii) Seller shall maintain in effect and enforce policies and procedures designed to ensure compliance by Seller, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions;
 - (iv) Seller shall not permit any of its Subsidiaries to fail to comply with the laws, regulations and executive orders referred to in Section 13(cc). None of Seller nor any Subsidiary of Seller, nor to the knowledge of Seller, any director, officer, agent, employee, or other person acting on behalf of Seller or any Subsidiary of Seller, will request or use the proceeds of Transaction, directly or indirectly, (A) for any payments to any Person, including any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, or otherwise take any action, directly or indirectly, that would result in a violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Person on the SDN List or a government of a Sanctioned Country, to the extent such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto. Furthermore, Seller will not, directly or indirectly, use the proceeds of any Transaction, or lend, contribute or otherwise make available such proceeds to any Subsidiary, Affiliate, joint venture partner or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person participating in the transaction of any Sanctions;
 - (v) Seller shall preserve and maintain all material rights, privileges, licenses, franchises, permits or other approvals necessary for Seller to conduct its business and to perform its obligations under the Facility Documents and shall conduct its business strictly in accordance with applicable law;
 - (vi) Seller shall keep adequate records and books of account, in which complete entries will be made in accordance with GAAP consistently applied; and
 - (vii) Subject to any confidentiality requirements, permit representatives of Buyer, upon reasonable prior written notice (unless an Event of Default shall have occurred and is continuing, in which case, no prior notice shall be required),

during normal business hours, to examine, copy and make extracts from its books and records, to inspect any of its Properties, and to discuss its regulatory compliance policies and procedures, business and affairs with its officers, all to the extent reasonably requested by Buyer.

(b) Taxes. Seller shall timely file all tax returns that are required to be filed by it and shall timely pay all Taxes due, except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided.

(c) Notice of Proceedings or Adverse Change. Seller shall give notice to Buyer immediately after a Responsible Officer of Seller has any knowledge of:

(i) the occurrence of any Default or Event of Default;

(ii) any (1) payment default, material default or event of default under any Indebtedness of Seller exceeding the greater of (x) [***]% of Seller's Adjusted Tangible Net Worth and (y) \$[***], or (2) non-ordinary course investigation or regulatory action that is pending or threatened by or against Seller in any federal or state court or before any Governmental Authority, which, in the case of any such investigation or action, could reasonably be expected to have a Material Adverse Effect;

(iii) any claim, dispute, litigation, investigation, proceeding or suspension between Seller, and any Governmental Authority, Take-out Investor, third party loan purchaser or any other Person that would reasonably be expected to have a Material Adverse Effect; and

(iv) as soon as reasonably possible, notice of any of the following events:

(A) a material change in the insurance coverage of Seller, with a copy of evidence of same attached;

(B) any material change in accounting policies or financial reporting practices of Seller;

(C) any material change in the Indebtedness of Seller exceeding the greater of \$[***] and [***]% of Seller's shareholder equity in the aggregate, including, without limitation, any default, renewal, non-renewal, termination, increase in available amount or decrease in available amount related thereto;

(D) promptly upon receipt of notice or knowledge of any Lien or security interest (other than security interests created hereby or under any other Facility Document) on, or claim asserted against, any of the Repurchase Assets;

(E) as soon as practicable, but, in any case, no more than two (2) Business Days, after Seller has obtained knowledge of any fact that could reasonably be the basis of any Purchased Mortgage Loan Issue with respect to a Purchased Mortgage Loan, notice identifying the related Purchased Mortgage Loan with respect to which such Purchased Mortgage

Loan Issue exists and detailing the cause of such potential Purchased Mortgage Loan Issue;

(F) any material issue raised upon examination of Seller or Seller's facilities by any Governmental Authority;

(G) any other event, circumstance or condition that has resulted or is reasonably expected to result in a Material Adverse Effect; or

(H) any Control Failure with respect to a Purchased Mortgage Loan that is an eMortgage Loan or any eNote Replacement Failure.

(v) Promptly, but no later than two (2) Business Days after Seller receives any of the same, deliver to Buyer a true, complete, and correct copy of any schedule, report, notice, or any other document received by Seller from any Person pursuant to, or in connection with, any of the Repurchase Assets to the extent that any of the foregoing will reasonably be expected to have a material impact on the fair market value of any of the Repurchase Assets; or

(vi) Promptly, but no later than two (2) Business Days after Seller receives notice of the same, any Purchased Mortgage Loan agreed to be the subject of a Take-out Commitment and delivered to a Take-out Investor (whole loan or securitization) under a Bailee Letter, and which was rejected for purchase by such Take-out Investor; provided, that such notice shall include an explanation as to why such Purchased Mortgage Loan was rejected for purchase by such Take-out Investor.

(d) Reporting. Seller shall furnish to Buyer the following:

(i) within the Reporting Period, the unaudited balance sheets of Seller as at the end of each calendar month, the unaudited balance sheets, related unaudited consolidated statements of income and retained earnings and of cash flows for the Seller, if applicable, for such month and the portion of the fiscal year through the end of such month, accompanied by the Officer's Compliance Certificate, executed by a Responsible Officer of Seller, if applicable, which certificate shall state that said financial statements and schedules fairly present in all material respects the financial condition and results of operations of Seller, if applicable, in accordance with GAAP, consistently applied, as at the end of, and for, such month (subject to normal year-end adjustments);

(ii) within ninety-five (95) days after the end of the Seller's fiscal year, the audited balance sheets and the related statements of income for the Seller as at the end of such fiscal year, with such balance sheets and statements of income being audited if required by Buyer but in any event audited by a certified public accountant in accordance with GAAS, setting forth in each case in comparative form the figures for the previous year, accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that said financial statements fairly present the financial condition and results of operations of Seller, if applicable, as at the end of, and for, such fiscal year in accordance with GAAS; provided, that if such opinion has a no "going concern" qualification, Seller shall promptly notify Buyer;

(iii) Within five (5) Business Days after any material amendment, modification or supplement has been entered into with respect to any Servicing

Agreement, a fully executed copy thereof, certified by Seller to be true, correct and complete;

(iv) as soon as available and in any event within the Reporting Period, a position report summarizing all Interest Rate Protection Agreements maintained by Seller;

(v) Within two (2) Business Days following written request of Buyer, the most current monthly servicing and remittance report of each Servicer with respect to the Purchased Mortgage Loans, in form and substance acceptable to Buyer;

(vi) To the extent permitted by Governmental Authority and, as soon as available, copies of relevant portions of all final written Fannie Mae, Freddie Mac, FHA, VA, Governmental Authority and investor audits, examinations, evaluations, monitoring reviews and reports of its operations (including those prepared on a contract basis) which provide for or relate to (i) material corrective action required, (ii) material sanctions proposed, imposed or required, including, without limitation, notices of defaults, notices of termination of approved status, notices of imposition of supervisory agreements or interim servicing agreements, and notices of probation, suspension, or non-renewal, or (iii) "report cards", "grades", or other classifications of the quality of Seller's operations; and

(vii) On each Price Differential Payment Date, Seller shall flag any Mortgage Loan that became a Pooled Mortgage Loan in the prior calendar month.

(e) Visitation and Inspection Rights. Seller shall permit Buyer to inspect, and to discuss with Seller's officers, agents and auditors, the affairs, finances, and accounts of Seller, the Repurchase Assets, OFAC sanctions scanning policies and procedures, including information relating to the method and frequency of scanning and the results of specific scans conducted on borrowers, anti-money laundering policies and procedures, and Seller's books and records, and to make abstracts or reproductions thereof and to duplicate, reduce to hard copy or otherwise use any and all computer or electronically stored information or data, in each case, (i) during normal business hours, (ii) upon reasonable notice (provided, that upon the occurrence of an Event of Default, no notice shall be required), and (iii) at the expense of Seller to discuss with Seller's officers, its affairs, finances, and accounts, in all cases, subject to confidentiality requirements and the production of information which is easily accessible.

(f) Reimbursement of Expenses. Subject to Section 20, on the date of execution of this Agreement, Seller shall reimburse Buyer for all actual and documented reasonable expenses (including reasonable outside legal fees) incurred by Buyer on or prior to such date. From and after such date, Seller shall promptly reimburse Buyer for all actual and documented expenses as the same are incurred by Buyer upon receipt of invoices therefor.

(g) Government Agency Approvals; Servicing. Seller shall maintain, if applicable, its status with Fannie Mae as an approved lender and Freddie Mac as an approved seller/servicer, in each case in good standing. Should Seller, for any reason, cease to possess all such applicable Government Agency approvals, or should notification to the relevant Government Agency or to the Department of Housing and Urban Development, FHA or VA be required, Seller shall so notify Buyer immediately in writing. Notwithstanding the preceding sentence, Seller shall take all necessary action to maintain all of its applicable Government Agency approvals at all times during the term

of this Agreement and each outstanding Transaction. Seller has adequate financial standing, has contracted for servicing facilities and experienced personnel necessary for the sound servicing of mortgage loans of the same types as may from time to time constitute Mortgage Loans and in accordance with Accepted Servicing Practices.

(h) [Reserved].

(i) True and Correct Information. All information, reports, exhibits, schedules, financial statements or certificates of Seller or any of its Affiliates thereof or any of their officers furnished to Buyer hereunder and during Buyer's diligence of Seller are and will be true and complete and will not, to the best of its knowledge, omit to disclose any material facts necessary to make the statements therein or therein, in light of the circumstances in which they are made, not misleading. All required financial statements, information and reports delivered by Seller to Buyer pursuant to this Agreement, to the extent applicable, shall be prepared in accordance with GAAP, or in connection with Securities and Exchange Commission filings, if any, the appropriate Securities and Exchange Commission accounting requirements.

(j) ERISA Events.

(i) Promptly upon becoming aware of the occurrence of any Event of ERISA Termination which together with all other Events of ERISA Termination occurring within the prior twelve (12) months involve a payment of money by or a potential aggregate liability of Seller or any ERISA Affiliate thereof or any combination of such entities in excess of \$[***], Seller shall give Buyer a written notice specifying the nature thereof, what action Seller or any ERISA Affiliate thereof has taken and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto.

(ii) Promptly upon receipt thereof, Seller shall furnish to Buyer copies of (i) all notices received by Seller or any ERISA Affiliate thereof of the PBGC's intent to terminate any Plan or to have a trustee appointed to administer any Plan; (ii) all notices received by Seller or any ERISA Affiliate thereof from the sponsor of a Multiemployer Plan pursuant to Section 4202 of ERISA involving a withdrawal liability in excess of \$[***]; and (iii) all funding waiver requests filed by Seller or any ERISA Affiliate thereof with the Internal Revenue Service with respect to any Plan, the accrued benefits of which exceed the present value of the plan assets as of the date the waiver request is filed by more than \$[***], and all communications received by Seller or any ERISA Affiliate thereof from the Internal Revenue Service with respect to any such funding waiver request.

(k) Financial Covenants. Seller shall comply with the financial covenants set forth in Section 3 of the Pricing Side Letter.

(l) Investment Company Act. Neither Seller nor any of its Subsidiaries shall be an "investment company", or a company "controlled" by an "investment company," within the meaning of the Investment Company Act.

(m) Insurance. The Seller shall continue to maintain, for Seller and its Subsidiaries, with responsible companies, at its own expense, the Required Insurance Policy, in each case, in a form acceptable to Buyer, with broad coverage on all officers, employees or other persons (if applicable, including, without limitation, employees or other person of the manager or the general partner who act on behalf of Seller in handling funds, money, documents or papers relating to the Purchased Mortgage Loans) ("Seller

Employees”) acting in any capacity requiring such persons to handle funds, money, documents or papers relating to the Purchased Mortgage Loans, with respect to any claims made in connection with all or any portion of the Purchased Mortgage Loans. Any such Required Insurance Policy shall protect and insure the Seller against losses, including forgery, theft, embezzlement, fraud, errors and omissions and negligent acts of such Seller Employees, and such policies also shall protect and insure the Seller against losses in connection with the release or satisfaction of a Purchased Mortgage Loan without having obtained payment in full of the indebtedness secured thereby. No provision of this Section requiring such Required Insurance Policy shall diminish or relieve the Seller from its duties and obligations as set forth in this Agreement. The minimum coverage under any such Required Insurance Policy shall be at least equal to the amount required by the applicable Government Agency. Upon the request of the Buyer, the Seller shall cause to be delivered to the Buyer a certificate of insurance for such Required Insurance Policy and a statement from the insurer that such Required Insurance Policy shall in no event be terminated or materially modified without thirty (30) days’ prior written notice to the Buyer. Seller shall name Buyer as a loss payee under any applicable Fidelity Insurance Policy and as a direct loss payee with right of action under any applicable Errors and Omissions Insurance Policy or Professional Liability Insurance Policy.

(n) Books and Records. Seller shall cause, to the extent practicable, maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Repurchase Assets in the event of the destruction of the originals thereof), and keep and maintain or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all Repurchase Assets.

(o) Material Change in Business. Seller shall continue to engage in the same general lines of business as presently conducted by it on the date hereof.

(p) Limitation on Dividends and Distributions. Following the occurrence and during the continuation of an Event of Default or if an Event of Default would result therefrom, Seller shall not make any payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any equity interest of Seller, whether now or hereafter outstanding, or make any other distribution or dividend in respect of any of the foregoing or to any shareholder or equity owner of Seller, either directly or indirectly, whether in cash or property or in obligations of Seller or any of Seller’s consolidated Subsidiaries; provided, however, that Seller shall be permitted to make distributions to any shareholder or equity holder with respect to any federal, state or local taxes payable by such shareholder or equity holder in connection with its ownership of such equity interests in Seller, notwithstanding the occurrence and continuance of an Event of Default.

(q) Disposition of Assets; Liens. Seller shall not (i) cause any of the Repurchase Assets to be sold, pledged, assigned or transferred except in compliance with the applicable Facility Documents or (ii) create, incur, assume or suffer to exist any mortgage, pledge, Lien, charge or other encumbrance of any nature whatsoever on any of the Repurchase Assets, whether real, personal or mixed, now or hereafter owned, other than Liens in favor of Buyer.

(r) Limitation on Accounting Changes. Seller shall not make any material change in the accounting policies or financial reporting practices of Seller or its Subsidiaries, except to the extent such change is required by GAAP, consistently applied.

(s) ERISA Matters.

(i) Seller shall not permit any event or condition which is described in any of clauses (i) through (x) of the definition of “Event of ERISA Termination” to occur or exist with respect to any Plan or Multiemployer Plan if such event or condition, together with all other events or conditions described in the definition of Event of ERISA Termination occurring within the prior twelve (12) months, involves the payment of money by or an incurrence of liability of Seller or any ERISA Affiliate thereof, or any combination of such entities in an amount in excess of \$[***].

(ii) Seller shall not be an employee benefit plan as defined in Section 3(3) of Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code or an entity deemed to hold “plan assets” within the meaning of 29 CFR §2510.3-101, as modified by Section 3(42) of ERISA, to engage in this Agreement or the Transactions hereunder and transactions by or with Seller are not subject to any state or local statute regulating investments of, or fiduciary obligations with respect to governmental plans within the meaning of Section 3(32) of ERISA.

(t) Consolidations, Mergers and Sales of Assets. Seller shall not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer all or substantially all of its assets to any other Person.

(u) Facility Documents. Seller shall not permit the material or non-ordinary course amendment or modification of, the waiver of any event of default under, or the termination of any Facility Document without Buyer’s prior written consent. Seller shall not waive (or direct the waiver of) the performance by any party to any Facility Document of any action, if the failure to perform such action would adversely affect Seller or any Purchased Mortgage Loans in any material respect, or waive (or direct the waiver of) any default resulting from any action or inaction by any party thereto.

(v) Illegal Activities. Seller shall not engage in any conduct or activity that could subject its assets to forfeiture or seizure.

(w) Transactions with Affiliates. Seller shall not enter into any transaction, including, without limitation, the purchase, sale, lease or exchange of property or assets or the rendering or accepting of any service with any Affiliate, unless such transaction is (a) not otherwise prohibited in this Agreement, (b) in the ordinary course of Seller’s business, and (c) upon fair and reasonable terms materially no less favorable to Seller, as the case may be, than it would obtain in a comparable arm’s length transaction with a Person which is not an Affiliate; provided, for the avoidance of doubt, Seller may engage in the purchase and/or sale of mortgage Servicing Rights unrelated to any Purchased Mortgage Loans with an Affiliate.

(x) Reserve Account Replenishment. If the amount on deposit in the Reserve Account goes below the Reserve Account Threshold and Buyer notifies Seller of such deficit on or prior to 10:00 a.m. (New York City time) on any Business Day, then Seller shall transfer cash to the Reserve Account to satisfy the Reserve Account Threshold no later than 5:30 p.m. (New York City time) on such Business Day. In the event Buyer notifies Seller of such deficit after 10:00 a.m. (New York City time) on any Business Day, Seller shall be required to transfer cash to the Reserve Account to satisfy the Reserve Account Threshold no later than 2:00 p.m. (New York City time) on the following Business Day.

(y) Take-out Payments. With respect to each Committed Mortgage Loan, Seller shall cause all payments under the related Take-out Commitment shall be paid pursuant to the terms of the Joint Securities Agreement.

(z) Hedging. Seller has entered into Interest Rate Protection Agreements or other arrangements with respect to the Purchased Mortgage Loans, having terms with respect to protection against fluctuations in interest rates consistent with the terms of Seller's hedging program and has notified Buyer of the terms of such Interest Rate Protection Agreements or other arrangements in writing.

(aa) DE Compare Ratio. Seller's DE Compare Ratio is less than [***]%.

(ab) Agency Securities. With respect to any Mortgage Loans that are Pooled Mortgage Loans, Seller shall only designate Buyer or the agent under the Joint Securities Account Control Agreement as the party authorized to receive the related Agency Security and shall designate Buyer or the agent under the Joint Securities Account Control Agreement accordingly on the applicable Form HUD 11705 (Schedule of Subscribers).

(ac) Pooled Loans. With respect to any Mortgage Loans that are Pooled Mortgage Loans, Seller shall be deemed to make the representations and warranties listed on Schedule 1-B hereto. With respect to any Mortgage Loans that are Pooled Mortgage Loans, Seller shall deliver to Buyer copies of the relevant Pooling Documents (the originals of which shall have been delivered to the Agency) as Buyer may request from time to time and as required by the Custodial and Disbursement Agreement.

Section 15. Events Of Default. If any of the following events (each an "Event of Default") occur followed by written notice of such occurrence by Buyer to Seller, Seller and Buyer shall have the rights set forth in Section 16, subject to any explicit cure right contained in this Section 15, as applicable:

(a) Payment Default. (i) Seller fails to make any payment of (A) Repurchase Price when due (other than Price Differential), whether by acceleration, mandatory repurchase (including following the occurrence of a Purchased Mortgage Loan Issue) or otherwise or (B) Price Differential or to cure any Margin Deficit when due, under the terms of the Facility Documents, or (ii) Seller fails to make any payment of any sum (other than Repurchase Price, Price Differential or Margin Deficit) when due under the terms of the Facility Documents within four (4) Business Days' notice; provided, however, the parties agree that an Event of Default shall not occur under this Section 15(a) if the Event of Default is the result of (i) a failure caused by an error or omission of an administrative or operational nature, (ii) the funds or other property were available to the transferor to enable it to make the relevant delivery when due and (iii) the relevant delivery is made within one (1) Business Day following such failure; or

(b) Immediate Representation and Warranty Default. Any representation, warranty or certification made or deemed to be made by (i) Seller contained in any of Sections 13(c) (Solvency); (f)(a) (Existence); (k) (Enforceability); (p) (Margin Regulations); (w) (ERISA); (z) (Plan Assets); or (ff) (Agency Approvals), in each case, of this Agreement shall be determined by Buyer to have been untrue or misleading in any respect as of the time made or furnished; or

(c) Additional Representation and Warranty Defaults. Any representation or warranty made or deemed made herein or in any other Facility Document (and not identified in clause (b) of Section 15) by Seller shall have been untrue or misleading in

any respect as of the time made or furnished (other than the representations and warranties set forth in Schedule 1-A and Schedule 1-B; unless (A) Seller shall have made any such representations and warranties with actual knowledge that they were materially false or misleading at the time made or (B) any such representations and warranties have been determined in good faith by Buyer in its sole discretion to be materially false or misleading on a regular basis), and if such default shall be capable of being remedied, such failure shall continue unremedied for more than five (5) Business Days; or

(d) Immediate Covenant Default. The failure of (i) Seller to perform, comply with or observe any term, covenant or agreement applicable to Seller contained in any of Sections 14(a)(i) and (ii) (Preservation of Existence; Compliance with Law); (k) (Financial Covenants); (o) (Material Change in Business); (p) (Limitation on Dividends and Distributions); (q) (Disposition of Assets; Liens); (s) (ERISA Matters); (t) (Consolidations, Mergers and Sales of Assets); (v) (Illegal Activities); (w) (Transactions with Affiliates); or (x) (Reserve Account Replenishment), in each case, of this Agreement; provided that, solely with respect to the failure of the Seller to maintain the Reserve Account Threshold pursuant to Section 14(x), the parties agree that an Event of Default shall not occur under this Section 15(d) if the Event of Default is the result of (i) a failure caused by an error or omission of an administrative or operational nature, (ii) the funds necessary to satisfy the Reserve Account Threshold pursuant to Section 14(x) were available to be deposited into the Reserve Account when due and (iii) the relevant funds necessary to satisfy the Reserve Account Threshold pursuant to Section 14(x) were deposited into the Reserve Account within one (1) Business Day following such failure; or

(e) Additional Covenant Defaults. The failure of Seller to observe or perform any other covenant or agreement contained in the Facility Documents (and not identified in clause (d) of this Section 15), and if such default shall be capable of being remedied, such failure to observe or perform continues unremedied for more than five (5) Business Days; or

(f) Judgments. A judgment or judgments for the payment of money in excess of the greater of [***]% Seller's shareholder equity and \$[***] in the aggregate is rendered against Seller, in each case by one or more courts, administrative tribunals or other bodies having jurisdiction and the same is not satisfied, discharged (or provision shall not be made for such discharge) or bonded, or a stay of execution thereof is not procured, within thirty (30) days from the date of entry thereof; or

(g) Cross-Default. Seller is in default beyond any applicable grace period under (i) any trading or lending agreement (which includes the Master Securities Forward Transaction Agreement) between Seller and Buyer or any Affiliates of Buyer or (ii) any other Indebtedness, financing, hedging, security or other agreement or contract of Seller in excess of the greater of (x) [***]% Seller's shareholder equity and (y) \$[***], which default involves the failure to pay a material matured obligation and permits the acceleration of the maturity of obligations by any other party to or beneficiary with respect to such agreement or Indebtedness; or

(h) Insolvency Event. An Insolvency Event occurs with respect to Seller; or

(i) Enforceability. For any reason (i) Seller (or an Affiliate thereof) contests the validity, enforceability, perfection or priority of any Lien granted pursuant to the Facility Documents, (ii) any Person (other than Buyer) contests the validity, enforceability, perfection or priority of any Lien granted pursuant thereto and such contestation has not been dismissed within thirty (30) days, (iii) Seller, or any Affiliate

seeks to disaffirm, terminate, limit, challenge, repudiate or reduce its obligations under any Facility Document or (iv) any Facility Document at any time fails to be in full force and effect in all material respects in accordance with its terms or shall not be enforceable in all material respects in accordance with its terms; or

(j) Liens. Seller grants, or suffers to exist, any Lien on any Repurchase Asset (except any Lien in favor of Buyer) or Buyer for any reason ceases to have a valid, first priority security interest in any of the Repurchase Assets; or

(k) Material Adverse Effect. A Material Adverse Effect occurs as determined by Buyer in its good faith and commercially reasonable discretion and such has had a material adverse effect on Seller's ability to meet its financial obligations under this Agreement; or

(l) Change in Control. A Change in Control occurs without the prior written consent of Buyer; or

(m) Inability to Perform. Seller admits its inability to, or its intention not to, perform any of its obligations under the Facility Documents; or

(n) Failure to Transfer. Seller fails to transfer the Purchased Mortgage Loans to Buyer on or prior to the applicable Purchase Date (provided that Buyer has tendered the related Purchase Price) and such failure has an impact on the Purchase Price in an amount greater than or equal to \$[***]; or

(o) Government Action. Any Governmental Authority or any person, agency or entity acting or purporting to act under Governmental Authority takes any action to condemn, seize or appropriate, or to assume custody or control of, all or any substantial part of the Property of Seller, or takes any action to displace the management of Seller or to curtail its authority in the conduct of the business of Seller, or takes any action in the nature of enforcement to remove, limit or restrict the approval of Seller as an issuer, buyer or a seller of Mortgage Loans or securities backed thereby, and such action shall not have been discontinued or stayed within thirty (30) days; or

(p) Assignment. Any assignment or attempted assignment by Seller of this Agreement or any other Facility Document or any rights hereunder or thereunder without first obtaining the specific written consent of Buyer; or

(q) [Reserved].

(r) Financial Statements. Seller's audited annual financial statements or the notes thereto or other opinions or conclusions stated therein are qualified or limited by reference to the status of Seller as a "going concern" or a reference of similar import; or

(s) Servicer Default. A Servicer Termination Event occurs with respect to a Servicer and Seller fails to transfer the servicing of the Purchased Mortgage Loans to a successor servicer that is reasonably acceptable to Buyer within sixty (60) days of such Servicer Termination Event; or

(t) Failure to Repurchase. Seller fails to repurchase a Purchased Mortgage Loan that is no longer an Eligible Mortgage Loan within two (2) Business Days of notice from Buyer.

(u) (I) Seller engages in any nonexempt “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code), (II) the occurrence of an Event of ERISA Termination or (III) any other event or condition occurs or exists with respect to a Plan or a Multiemployer Plan; and, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect

Section 16. Remedies.

(a) If an Event of Default occurs, the following rights and remedies are available to Buyer; provided, that an Event of Default shall be deemed to be continuing unless expressly waived by Buyer in writing:

(i) At the option of Buyer, exercised by written notice to Seller (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Insolvency Event of Seller), the Repurchase Date for each Transaction hereunder, if it has not already occurred, shall be deemed immediately to occur (the date on which such option is exercised or deemed to have been exercised being referred to hereinafter as the “Accelerated Repurchase Date”).

(ii) If Buyer exercises or is deemed to have exercised the option referred to in subsection (a)(i) of this Section,

(A) Seller’s obligations in such Transactions to repurchase all Purchased Mortgage Loans, at the Repurchase Price therefor on the Repurchase Date determined in accordance with subsection (a)(i) of this Section, (1) shall thereupon become immediately due and payable, (2) all Income paid after such exercise or deemed exercise shall be retained by Buyer and applied to the aggregate unpaid Repurchase Price and any other amounts owed by Seller hereunder, and (3) Seller shall immediately deliver to Buyer any Purchased Mortgage Loans subject to such Transactions then in Seller’s or Servicer’s possession or control, including Purchased Mortgage Loans; and

(B) to the extent permitted by applicable law, the Repurchase Price with respect to each such Transaction (determined as of the Accelerated Repurchase Date) shall be increased by the aggregate amount obtained by daily application of, on a 360 day per year basis for the actual number of days during the period from and including the date of the exercise or deemed exercise of such option to but excluding the date of payment of the Repurchase Price as so increased, (x) the Post-Default Rate in effect following an Event of Default to (y) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to subsection (a)(i) of this Section.

(iii) Upon the occurrence of one or more Events of Default, Buyer shall have the right to obtain physical possession of all files of Seller relating to the Purchased Mortgage Loans and the Repurchase Assets and all documents relating to the Purchased Mortgage Loans which are then or may thereafter come in to the possession of Seller or any third party acting for Seller and Seller shall deliver to Buyer such assignments as Buyer shall request. Buyer shall be entitled to specific performance of all agreements of Seller contained in Facility Documents.

(iv) Upon the occurrence of an Event of Default, Buyer, or Buyer through its Affiliates or designees, may (A) immediately sell, without demand or further notice of any kind, at a public or private sale at such price or prices as Buyer may deem satisfactory any or all of the Purchased Mortgage Loans and Repurchase Assets or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Mortgage Loans and Repurchase Assets, to retain such Purchased Mortgage Loans and Repurchase Assets, and give Seller credit for such Purchased Mortgage Loans in an amount equal to the market value of the related Mortgage Loans (as determined and adjusted by Buyer in its sole discretion, giving such weight to the Market Value or outstanding principal balance of such Mortgage Loan as Buyer deems appropriate) against the aggregate unpaid Repurchase Price for such Purchased Mortgage Loans and Repurchase Assets and any other amounts owing by Seller under the Facility Documents. The proceeds of any disposition of Purchased Mortgage Loans and Repurchase Assets effected pursuant to the foregoing shall be applied as determined by Buyer.

(v) Seller shall be liable to Buyer for (A) the amount of all actual and reasonable expenses, including reasonable documented outside legal fees and expenses, actually incurred by Buyer in connection with or as a consequence of an Event of Default, (B) all actual and documented out of pocket costs incurred in connection with the Facility Documents, and (C) any other actual and documented loss, damage, out of pocket cost or reasonable expense arising or resulting from the occurrence of an Event of Default under this Agreement. Notwithstanding anything to the contrary herein, Seller will not be liable for punitive, consequential, or incidental damages. In addition, Buyer shall have the right to satisfy any Obligations with funds remaining in the Reserve Account.

(vi) Buyer shall have, in addition to its rights hereunder, any rights otherwise available to it under applicable law.

(b) Seller acknowledges and agrees that (A) in the absence of a generally recognized source for prices or bid or offer quotations for any Purchased Mortgage Loans and Repurchase Assets, Buyer may establish the source therefor in its reasonable discretion and (B) all prices, bids and offers shall be determined together with accrued Income. Seller recognizes that it may not be possible to purchase or sell all of the Purchased Mortgage Loans and Repurchase Assets on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for such Purchased Mortgage Loans and Repurchase Assets may not be liquid at such time. In view of the nature of the Purchased Mortgage Loans and Repurchase Assets, Seller agrees that liquidation of a Transaction or the Purchased Mortgage Loans and Repurchase Assets does not require a public purchase or sale and that a good faith private purchase or sale shall be deemed to have been made in a commercially reasonable manner. Accordingly, Buyer may elect, in its sole discretion, the time and manner of liquidating any Purchased Mortgage Loans and Repurchase Assets, and nothing contained herein shall (A) obligate Buyer to liquidate any Purchased Mortgage Loans or Repurchase Assets on the occurrence of an Event of Default or to liquidate all of the Purchased Mortgage Loans or Repurchase Assets in the same manner or on the same Business Day or (B) constitute a waiver of any right or remedy of Buyer. Buyer may exercise one or more of the remedies available hereunder immediately upon the occurrence of an Event of Default and at any time thereafter without notice to Seller. All rights and remedies arising under this Agreement as amended from time to time hereunder are cumulative and not exclusive of any other rights or remedies which Buyer may have.

(c) Buyer may enforce its rights and remedies hereunder without prior judicial process or hearing, and Seller hereby expressly waives any defenses Seller might otherwise have to require Buyer to enforce its rights by judicial process. Seller also waives any defense (other than a defense of payment or performance) it might otherwise have arising from the use of nonjudicial process, enforcement and sale of all or any portion of the Repurchase Assets, or from any other election of remedies. Seller recognizes that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's length.

(d) Without limiting the rights of Buyer hereto to pursue all other legal and equitable rights available to Buyer for Seller's failure to perform its obligations under this Agreement, Seller acknowledges and agrees that the remedy at law for any failure to perform obligations hereunder may be inadequate and Buyer shall be entitled to seek specific performance, injunctive relief, or other equitable remedies in the event of any such failure. The availability of these remedies shall not prohibit Buyer from pursuing any other remedies for such breach, including the recovery of monetary damages.

(e) Buyer shall have, in addition to its rights and remedies under the Facility Documents, all of the rights and remedies provided by applicable federal, state, foreign, and local laws (including, without limitation, if the Transactions are recharacterized as secured financings, the rights and remedies of a secured party under the UCC of the State of New York, to the extent that the UCC is applicable, and the right to offset any mutual debt and claim), in equity, and under any other agreement between Buyer and Seller. Without limiting the generality of the foregoing, Buyer shall be entitled to set off the proceeds of the liquidation of the Purchased Mortgage Loans and Repurchase Assets against all of Seller's obligations to Buyer, whether or not such obligations are then due, without prejudice to Buyer's right to recover any deficiency.

Section 17. Indemnification and Expenses.

(a) Seller agrees to hold Buyer, and its Affiliates and their officers, directors, employees, agents and advisors (each an "Indemnified Party") harmless from and indemnify any Indemnified Party against all actual liabilities, actual losses, damages, judgments, documented out of pocket costs and reasonable expenses of any kind (including reasonable fees of counsel, and Taxes relating to or arising in connection with the ownership of the Purchased Mortgage Loans, but excluding any Taxes otherwise expressly indemnified against, or excluded from indemnification, under in Section 8 of this Agreement) which may be imposed on, incurred by or asserted against such Indemnified Party in connection with a third party claim (collectively, "Costs"), relating to or arising out of this Agreement, any other Facility Document or any transaction contemplated hereby or thereby, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, any other Facility Document or any transaction contemplated hereby or thereby (including without limitation any such liabilities, losses, damages, judgments, costs and expenses arising from any acts or omissions of a Servicer), that, in each case, results from anything other than the Indemnified Party's gross negligence or willful misconduct (which gross negligence or willful misconduct is determined by a court of competent jurisdiction pursuant to a final judgment). Without limiting the generality of the foregoing, Seller agrees to hold any Indemnified Party harmless from and indemnify such Indemnified Party against all Costs with respect to all Purchased Mortgage Loans, that, in each case, results from anything other than the Indemnified Party's gross negligence or willful misconduct (which gross negligence or willful misconduct is determined by a court of competent jurisdiction pursuant to a final judgment). In any suit, proceeding or action brought by an Indemnified Party in connection with any Purchased Mortgage Loans for

any sum owing thereunder, or to enforce any provisions of any Purchased Mortgage Loans, Seller will save, indemnify and hold such Indemnified Party harmless from and against all actual expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from Seller. Seller also agrees to reimburse an Indemnified Party as and when billed by such Indemnified Party for all the Indemnified Party's actual and documented out of pocket costs and reasonable expenses incurred in connection with the enforcement or the preservation of Buyer's rights under this Agreement, any other Facility Document or any transaction contemplated hereby or thereby, including without limitation the reasonable fees and disbursements of its external counsel. Seller's agreements in this Section 17 shall survive the payment in full of the Repurchase Price and the expiration or termination of this Agreement. Seller hereby acknowledges that its obligations hereunder are recourse obligations of Seller and are not limited to recoveries each Indemnified Party may have with respect to the Purchased Mortgage Loans. Notwithstanding anything to the contrary in this Agreement, Seller and Buyer also agree not to assert any claim against the other or any of its Affiliates, or any of their respective officers, directors, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the facility established hereunder, the actual or proposed use of the proceeds of the Transactions, this Agreement or any of the transactions contemplated thereby. THE FOREGOING INDEMNITY AND AGREEMENT NOT TO ASSERT CLAIMS EXPRESSLY APPLIES, WITHOUT LIMITATION, TO THE NEGLIGENCE (BUT NOT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF THE INDEMNIFIED PARTIES.

(b) Seller agrees to pay as and when billed by Buyer all of the out-of-pocket and documented costs and reasonable expenses incurred by Buyer in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, any other Facility Document or any other documents prepared in connection herewith or therewith. Seller agrees to pay as and when billed by Buyer all of the out-of-pocket and documented costs and reasonable expenses incurred in connection with the consummation and administration of the transactions contemplated hereby and thereby including without limitation filing fees and all the reasonable fees, disbursements and expenses of outside counsel to Buyer which amount may be deducted from the Purchase Price paid for the first Transaction hereunder. Subject to the limitations set forth in Sections 20 and 31 hereof, Seller agrees to pay Buyer all the out-of-pocket due and documented diligence, inspection, testing and review costs and reasonable expenses incurred by Buyer with respect to Mortgage Loans submitted by Seller for purchase under this Agreement, including, but not limited to, those out-of-pocket and documented costs and reasonable expenses incurred by Buyer pursuant to Sections 16(b) and 20 hereof. Notwithstanding the foregoing, in no event shall the amounts incurred by Buyer on or prior to the Closing Date that are reimbursable by Seller pursuant to this Section 17(b) exceed \$[***]; provided, however, that in the event there are extensive delays prior to the Closing Date, unanticipated issues arise or structural changes occur during the course of the negotiation of this Agreement or the Facility Documents, the parties agree to adjust the foregoing limitation as mutually determined by the parties in good faith.

(c) The obligations of Seller from time to time to pay the Repurchase Price, the Price Differential, and all other amounts due under this Agreement shall be full recourse obligations of Seller.

Section 18. Servicing.

(a) Seller, on Buyer's behalf, shall service or contract with a Servicer to service the Purchased Mortgage Loans consistent with the degree of skill and care that such Servicer customarily requires with respect to similar Mortgage Loans owned or managed by such Servicer and in accordance with Accepted Servicing Practices. The Servicer shall (i) comply with all applicable Requirements of Law, (ii) maintain all state and federal licenses necessary for it to perform its servicing responsibilities under the Servicing Agreement and (iii) not impair the rights of Buyer in any Purchased Mortgage Loan or any payment thereunder.

(b) Seller shall cause the Servicer to hold or cause to be held all escrow funds collected by Seller with respect to any Purchased Mortgage Loans in trust accounts and shall apply the same for the purposes for which such funds were collected.

(c) Seller shall, or shall cause the Servicer and any interim servicer to, deposit all collections received by Seller or Servicer on account of the Purchased Mortgage Loans in accordance with the provisions of Section 5(a).

If any Mortgage Loan that is proposed to be sold on a Purchase Date is serviced or subserviced by a servicer other than Seller, or if the servicing of any Purchased Mortgage Loan is to be transferred from Seller to a Servicer other than Seller, Seller shall, prior to such Purchase Date or servicing transfer date, as applicable, (i) provide Buyer with the related Servicing Agreement pursuant to which such Servicer shall service such Mortgage Loans, which Servicing Agreement shall be reasonably acceptable to Buyer in all respects, (ii) obtain Buyer's prior written consent to the use of such Servicer in the performance of such servicing duties and obligations, which consent may be withheld in Buyer's sole and good faith discretion and (iii) provide Buyer with a fully executed servicer notice or letter agreement, executed by Buyer, Seller and such Servicer (each, a "Servicer Side Letter"), in form and substance reasonably acceptable to Buyer with respect to such Servicer. In no event shall Seller's use of a subservicer relieve Seller of its obligations hereunder, and Seller shall remain liable under this Agreement as if Seller were servicing such Mortgage Loans directly. Seller hereby agrees and acknowledges, and shall use commercially reasonable efforts to cause any third-party subservicer to agree and acknowledge, that Buyer or its designees shall have the right to conduct examinations and audits of the Servicer upon reasonable prior written notice with respect to the servicing of the Purchased Mortgage Loans. Buyer shall also have the right to obtain copies of all Records and files of the Servicer relating to the Purchased Mortgage Loans, including all documents relating to the Purchased Mortgage Loans and the servicing thereof.

(d) Upon the occurrence and continuation of an Event of Default hereunder or a material default under the Servicing Agreement, Buyer shall have the right to immediately terminate the Servicer's right to service the Purchased Mortgage Loans upon advanced prior written notice under the Servicing Agreement without payment of any penalty or termination fee. Seller and the Servicer shall cooperate in transferring the servicing and all Records of the Purchased Mortgage Loans to a successor servicer appointed by Buyer in its good faith and commercially reasonable discretion.

(e) If Seller should discover that, for any reason whatsoever, Seller or any entity responsible by contract to Seller for managing or servicing any such Purchased Mortgage Loan has failed to perform fully Seller's obligations under the Facility Documents or any of the obligations of such entities with respect to the Purchased

Mortgage Loans, Seller shall promptly notify Buyer and promptly remedy any non-compliance.

(f) The Seller's rights and obligations to interim service the Purchased Mortgage Loans shall terminate on the twentieth (20th) day of each calendar month (and if such day is not a Business Day, the next succeeding Business Day), unless otherwise directed in writing by the Buyer prior to such date. For purposes of this provision, notice provided by electronic mail shall constitute written notice. For the avoidance of doubt, this Subsection 18(f) shall no longer apply to any Purchased Mortgage Loan that is repurchased in full by Seller in accordance with the provisions of this Agreement and therefore is no longer subject to a Transaction. Upon termination, the Seller shall transfer servicing, including, without limitation, delivery of all servicing files in Seller's possession to the designee of the Buyer. The Seller's delivery of servicing files shall be in accordance with Accepted Servicing Practices. The Seller and Servicer shall have no right to select a subservicer or successor servicer. After the servicing terminates and until the servicing transfer date, the Seller shall service the Purchased Mortgage Loans in accordance with the terms of this Agreement and for the benefit of the Buyer.

Section 19. Recording of Communications. Buyer and Seller shall have the right (but not the obligation) from time to time to make or cause to be made tape recordings of communications between its employees and those of the other party with respect to Transactions upon notice to the other party of such recording and such recordings may be retained upon the request of the Seller and used to resolve any good faith disputes between the parties.

Section 20. Due Diligence. Seller acknowledges that Buyer has the right to perform continuing due diligence reviews with respect to the Purchased Mortgage Loans, Seller, and, to the extent reasonably requested, each Servicer, including, without limitation, financial information, organization documents, business plans, purchase agreements and underwriting purchase models for each pool of Purchased Mortgage Loans, for purposes of verifying compliance with the representations, warranties and specifications made hereunder, to review the servicing of the Purchased Mortgage Loans, or otherwise, and Seller agrees that (a) upon reasonable prior written notice to Seller, unless an Event of Default shall have occurred, in which case no notice is required, Buyer or its Authorized Representatives will be permitted during normal business hours to examine, inspect, and make copies and extracts of the Mortgage Files and any and all documents, records, agreements, instruments or information relating to such Purchased Mortgage Loans (the "Due Diligence Documents") in the possession or under the control of Seller and/or the Custodian, or (b) upon request, Seller shall create and deliver to Buyer within three (3) Business Day of such request, an electronic copy via email to [***], in a format acceptable to Buyer, of such Due Diligence Documents as Buyer may request. Seller also shall make available to Buyer a knowledgeable financial or accounting officer for the purpose of answering questions respecting the Mortgage Files and the Purchased Mortgage Loans. Without limiting the generality of the foregoing, Seller acknowledges that Buyer may purchase Purchased Mortgage Loans from Seller and enter into additional Transactions with respect to the Purchased Mortgage Loans based solely upon the information provided by Seller to Buyer in the Asset Schedule and the representations, warranties and covenants contained herein, and that Buyer, at its option, has the right at any time to conduct a partial or complete due diligence review on some or all of the Purchased Mortgage Loans purchased in a Transaction, including, without limitation, ordering new credit reports and new appraisals on the related Mortgaged Properties with respect to the Mortgage Loans and otherwise re-generating the information used to originate such Mortgage Loan, which information may be used by Buyer to calculate Market Value. Buyer may underwrite such Purchased Mortgage Loans itself or engage a mutually agreed upon third party underwriter to perform such underwriting. Seller agrees to cooperate with Buyer or any third party underwriter in connection with such underwriting, including, but not limited to, providing Buyer with access to any documents, records, agreements, instruments or information

relating to such Mortgage Loans in the possession, or under the control, of Seller. Seller further agrees that Seller shall pay all out-of-pocket costs and expenses incurred by Buyer in connection with Buyer's due diligence activities pursuant to this Section 20 (as evidenced in reasonably detailed report by Buyer).

Section 21. Assignability.

(a) The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by Seller without the prior written consent of Buyer. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. Nothing in this Agreement express or implied, shall give to any Person, other than the parties to this Agreement and their successors hereunder, any benefit of any legal or equitable right, power, remedy or claim under this Agreement. Prior to the occurrence of an Event of Default, Buyer may, upon prior written consent from Seller, which consent shall not be unreasonably withheld, conditioned or delayed, from time to time assign all or a portion of its rights and obligations under this Agreement and the Facility Documents to any Person pursuant to an executed assignment and acceptance by Buyer and assignee ("Assignment and Acceptance"), specifying the percentage or portion of such rights and obligations assigned; provided, that no such restrictions shall apply with respect to any assignment to any Affiliate of Buyer or to any Person if an Event of Default has occurred and is continuing. Upon such assignment, (a) such assignee shall be a party hereto and to each Facility Document to the extent of the percentage or portion set forth in the Assignment and Acceptance, and shall succeed to the applicable rights and obligations of Buyer hereunder, and (b) Buyer shall, to the extent that such rights and obligations have been so assigned by it be released from its obligations hereunder and under the Facility Documents. Unless otherwise stated in the Assignment and Acceptance, Seller shall continue to take directions solely from Buyer unless otherwise notified by Buyer in writing. Buyer may distribute to any prospective assignee any document or other information delivered to Buyer by Seller; provided that, prior to the occurrence of an Event of Default, such prospective assignee has executed a commercially reasonable non-disclosure agreement.

(b) Prior to the occurrence of an Event of Default, Buyer may, upon prior written consent from Seller, which consent shall not be unreasonably withheld, conditioned or delayed, sell participations to one or more Persons in or to all or a portion of its rights and obligations under this Agreement to any Person; provided, however, that (i) Buyer's obligations under this Agreement shall remain unchanged, (ii) Buyer shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) Seller shall continue to deal solely and directly with Buyer in connection with Buyer's rights and obligations under this Agreement and the other Facility Documents except as provided in Section 8; provided that no such restrictions shall apply with respect to any sale to any Affiliate of Buyer or if an Event of Default has occurred and is continuing; and provided further that Buyer shall act as agent for all purchasers, assignees and point of contact for Seller pursuant to agency provisions to be agreed upon by Buyer, its intended purchasers and/or assignees and Seller. For the avoidance of doubt, upon the occurrence of an Event of Default, Buyer may sell participations to one or more Persons in or to all or a portion of its rights and obligations under this Agreement to any Person without the prior written consent of Seller.

(c) Buyer may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 21, disclose to the assignee or participant or proposed assignee or participant, as the case may be, any information relating to Seller or any of its Subsidiaries or to any aspect of the Transactions that has

been furnished to Buyer by or on behalf of Seller or any of its Subsidiaries; provided that, prior to the occurrence of an Event of Default, such prospective assignee or participant has executed a commercially reasonable non-disclosure agreement.

(d) In the event Buyer assigns all or a portion of its rights and obligations under this Agreement, the parties hereto agree to negotiate in good faith an amendment to this Agreement to add agency provisions similar to those included in repurchase agreements for similar syndicated repurchase facilities.

Section 22. Transfer and Maintenance of Register.

(a) Subject to acceptance and recording thereof pursuant to paragraph (b) of this Section 22, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of Buyer under this Agreement.

(b) Seller shall maintain a register (the "Register") on which it shall record Buyer's rights hereunder, and each Assignment and Acceptance and participation. The Register shall include the names and addresses of Buyer (including all assignees, successors and participants) and the percentage or portion of such rights and obligations assigned or participated. Failure to make any such recordation, or any error in such recordation shall not affect Seller's obligations in respect of such rights. If Buyer sells a participation in its rights hereunder, it shall provide Seller, or maintain as agent of Seller, the information described in this paragraph and permit Seller to review such information as reasonably needed for Seller to comply with its obligations under this Agreement or under any applicable Requirement of Law.

Section 23. Tax Treatment. Each party to this Agreement acknowledges that it is its intent for purposes of U.S. federal taxes and all relevant state and local income and franchise taxes, to treat each Transaction as indebtedness of Seller that is secured by the Purchased Mortgage Loans and that the Purchased Mortgage Loans are owned by Seller in the absence of a Default by Seller. All parties to this Agreement agree to such treatment and agree to take no action inconsistent with this treatment, unless required by law.

Section 24. Set-Off.

(a) In addition to any rights and remedies of Buyer hereunder and by law, following an Event of Default (subject to any applicable cure period or notice requirement) Buyer shall have the right, without prior notice to Seller, any such notice being expressly waived by Seller to the extent permitted by applicable law to set-off and appropriate and apply against any obligation from Seller to Buyer or any Affiliate thereof any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other obligation (including to return excess margin), credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by or due from Buyer or any Affiliate thereof to or for the credit or the account of Seller. Buyer agrees promptly to notify Seller in writing after any such set-off and application made by Buyer; provided that the failure to give such notice shall not affect the validity of such set-off and application.

(b) Buyer shall at any time have the right, in each case until such time as Buyer determines otherwise, to retain, to suspend payment or performance of, or to decline to remit, any amounts or deliver any property that Buyer would otherwise be

obligated to pay, remit or deliver to Seller hereunder if an Event of Default has occurred. For avoidance of doubt and not as a limitation, Buyer may set-off any amounts in the Reserve Account against any outstanding Obligations provided an Event of Default has occurred and is continuing, but may not set-off, transfer or withdraw any amounts from the Reserve Account unless an Event of Default has occurred and is continuing.

Section 25. Terminability. Each representation and warranty made or deemed to be made by entering into a Transaction, herein or pursuant hereto shall survive the making of such representation and warranty, and Buyer shall not be deemed to have waived any Default that may arise because any such representation or warranty shall have proved to be false or misleading, notwithstanding that Buyer may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time the Transaction was made. The obligations of Seller under Section 17 hereof shall survive the termination of this Agreement.

Section 26. Notices And Other Communications. Except as otherwise expressly permitted by this Agreement, all notices, requests and other communications provided for herein (including without limitation any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including without limitation by facsimile) delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof or thereof); or, as to any party, at such other address as shall be designated by such party in a written notice to each other party. Except as otherwise provided in this Agreement and except for notices given under Sections 3 and 4 (which shall be effective only on receipt), all such communications shall be deemed to have been duly given when transmitted by facsimile or electronic mail or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid. In all cases, to the extent that the related individual set forth in the respective "Attention" line is no longer employed by the respective Person, such notice may be given to the attention of a Responsible Officer of the respective Person or to the attention of such individual or individuals as subsequently notified in writing by a Responsible Officer of the respective Person.

Section 27. Entire Agreement; Severability; Single Agreement.

(a) This Agreement and the Facility Documents collectively constitute the entire understanding between Buyer and Seller with respect to the subject matter they cover and shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions involving Purchased Mortgage Loans. By acceptance of this Agreement, Buyer and Seller acknowledges that they have not made, and are not relying upon, any statements, representations, promises or undertakings not contained in this Agreement. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

(b) Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and that each has been entered into in consideration of the other Transactions. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) that payments, deliveries, and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries, and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries, and other transfers may be applied against each

other and netted and (iii) to promptly provide notice to the other after any such set off or application.

Section 28. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS ENTERED INTO AND TO BE PERFORMED IN THE STATE OF NEW YORK, INCLUDING ITS STATUTE OF LIMITATIONS, BUT WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF OR ANY LAW OR PROCEDURAL RULE, INCLUDING ANY BORROWING STATUTE, THAT WOULD RESULT IN THE APPLICATION OF THE LAW OR PROCEDURAL RULE OF ANY OTHER JURISDICTION, INCLUDING BUT NOT LIMITED TO ANY STATUTE OR LIMITATIONS, OTHER THAN SECTION 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH SHALL GOVERN.

Section 29. SUBMISSION TO JURISDICTION; WAIVERS. BUYER AND SELLER EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND THE OTHER FACILITY DOCUMENTS, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO ITS ADDRESS SET FORTH UNDER ITS SIGNATURE BELOW OR AT SUCH OTHER ADDRESS OF WHICH BUYER SHALL HAVE BEEN NOTIFIED;

(d) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION; AND

(e) BUYER AND SELLER HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER FACILITY DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 30. No Waivers, etc. No failure on the part of Buyer to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Facility Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Facility Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. An Event of Default shall be deemed to be continuing unless expressly waived by Buyer in writing.

Section 31. Netting. If Buyer and Seller are “financial institutions” as now or hereinafter defined in Section 4402 of Title 12 of the United States Code (“Section 4402”) and any rules or regulations promulgated thereunder,

(a) All amounts to be paid or advanced by one party to or on behalf of the other under this Agreement or any Transaction hereunder shall be deemed to be “payment obligations” and all amounts to be received by or on behalf of one party from the other under this Agreement or any Transaction hereunder shall be deemed to be “payment entitlements” within the meaning of Section 4402, and this Agreement shall be deemed to be a “netting contract” as defined in Section 4402.

(b) The payment obligations and the payment entitlements of the parties hereto pursuant to this Agreement and any Transaction hereunder shall be netted as follows. In the event that either party (the “Defaulting Party”) shall fail to honor any payment obligation under this Agreement or any Transaction hereunder, the other party (the “Non-Defaulting Party”) shall be entitled to reduce the amount of any payment to be made by the Non-Defaulting Party to the Defaulting Party by the amount of the payment obligation that the Defaulting Party failed to honor.

Section 32. Confidentiality.

(a) Buyer and Seller each hereby acknowledges and agrees that all written or computer-readable information provided by one party to any other regarding the terms set forth in any of the Facility Documents or the Transactions contemplated thereby or pursuant to the terms thereof, including, but not limited to, the name of, or identifying information with respect to Buyer, any pricing terms, or other nonpublic business or financial information (including, without limitation, any sub-limits, financial covenants, financial statements and performance data), the existence of this Agreement and the Transactions with Buyer (the “Confidential Information”) shall be kept confidential and shall not be divulged to any party without the prior written consent of such other party except to the extent that (i) it is necessary to disclose to its Affiliates and its and their employees, directors, officers, advisors (including legal counsel, accountants, and auditors), representatives and servicers, (ii) it is requested or required by governmental agencies, regulatory bodies or other legal, governmental or regulatory process, in which case the receiving party shall (except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising examination or regulatory authority or in cases where any governmental and/or regulatory authority has requested otherwise) provide prior written notice to the disclosing party to the extent not prohibited by the applicable law or regulation, (iii) any of the Confidential Information is in the public domain other than due to a breach of this covenant, (iv) disclosure to any approved hedge counterparty to the extent necessary to obtain any Interest Rate Protection Agreement or, (v) an Event of Default has occurred and Buyer determines such information to be necessary or desirable to disclose in connection with the marketing and sales of the Purchased Mortgage Loans or otherwise to enforce or exercise Buyer’s rights hereunder. Seller and Buyer shall be responsible for any breach of the terms of this Section 32(a) by any Person that it discloses Confidential Information to pursuant to

clause (i) above. Buyer shall inform any party to whom it will disclose Confidential Information pursuant to clause (iv) or (v) above of the confidential nature of such Confidential Information prior to such disclosure. Seller shall not, without the written consent of Buyer, make any communication, press release, public announcement or statement in any way connected to the existence or terms of this Agreement or the other Facility Documents or the Transactions contemplated hereby or thereby, except where such communication or announcement is required by law or regulation, in which event Seller will consult and cooperate with Buyer with respect to the wording of any such announcement. Notwithstanding the foregoing or anything to the contrary contained herein or in any other Facility Document, the parties hereto may disclose to any and all Persons, without limitation of any kind, the federal, state and local tax treatment or tax structure of the Transactions, any fact relevant to understanding the federal, state and local tax treatment or tax structure of the Transactions, and all materials of any kind (including opinions or other tax analyses) relating to such federal, state and local tax treatment and that may be relevant to understanding such tax treatment or tax structure; provided that the “tax treatment or “tax structure” shall be limited to any facts relevant to the U.S. federal, state or local tax treatment of any Transaction contemplated hereunder and specifically does not include any information relating to the identity of Buyer or any pricing terms hereunder. The provisions set forth in this Section 32(a) shall survive the termination of this Agreement for two (2) years.

(b) Notwithstanding anything in this Agreement to the contrary, both parties understand that Confidential Information disclosed hereunder may contain “nonpublic personal information”, as that term is defined in Section 509(4) of the Gramm-Leach-Bliley Act (the “GLB Act”), and each party agrees to maintain such nonpublic personal information that it receives hereunder in accordance with the GLB Act and other applicable local, state and federal laws relating to privacy and data protection. Both parties shall implement administrative, technical and physical safeguards and other security measures to (a) ensure the security and confidentiality of the “nonpublic personal information” of the “customers” (as defined in the GLB Act) of Buyer or any Affiliate of Buyer which Buyer holds, (b) protect against any threats or hazards to the security and integrity of such nonpublic personal information, and (c) protect against any unauthorized access to or use of such nonpublic personal information. Upon request, Seller will provide evidence reasonably satisfactory to allow Buyer to confirm that Seller has satisfied its obligations as required under this Section 32(b). Without limitation, this may include Buyer’s review of audits, summaries of test results, and other equivalent evaluations of Seller. Each party shall notify the other party immediately following discovery of any breach or compromise of the security, confidentiality, or integrity of nonpublic personal information of the customers and consumers of Buyer or any Affiliate of Buyer provided directly to Seller. Each party shall provide such notice to the other party by personal delivery, by email with confirmation of receipt, or by overnight courier with confirmation of receipt to the applicable requesting individual. The provisions set forth in this Section 32(b) shall survive the termination of this Agreement for as long as either party retains any “nonpublic personal information” disclosed hereunder.

Section 33. Intent.

(a) The parties recognize that each Transaction is a “repurchase agreement” as that term is defined in Section 101 of Title 11 of the United States Code, as amended, a “securities contract” as that term is defined in Section 741 of Title 11 of the United States Code, as amended, and a “master netting agreement” as that term is defined in Section 101(38A)(A) of the Bankruptcy Code, that all payments hereunder are deemed “margin payments” or “settlement payments” as defined in Title 11 of the United States Code, and that the pledge of the Repurchase Assets constitutes “a security agreement or

other arrangement or other credit enhancement” that is “related to” the Agreement and Transactions hereunder within the meaning of Sections 101(38A)(A), 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code. Seller and Buyer further recognize and intend that this Agreement is an agreement to provide financial accommodations and is not subject to assumption pursuant to Bankruptcy Code Section 365(a).

(b) Buyer’s right to liquidate the Repurchase Assets delivered to it in connection with the Transactions hereunder or to accelerate or terminate this Agreement or otherwise exercise any other remedies pursuant to Section 16 hereof is a contractual right to liquidate, accelerate or terminate such Transaction as described in Bankruptcy Code Sections 555, 559 and 561; any payments or transfers of property made with respect to this Agreement or any Transaction shall be considered a “margin payment” and “settlement payment” as such terms are defined in Bankruptcy Code Section 741(5).

(c) This Agreement is intended to be a “repurchase agreement” and a “securities contract,” within the meaning of Section 555 and Section 559 under the Bankruptcy Code.

(d) Each party agrees that this Agreement is intended to create mutuality of obligations among the parties, and as such, the Agreement constitutes a contract which (i) is between all of the parties and (ii) places each party in the same right and capacity.

(e) Each party agrees that it shall not challenge the characterization of this Agreement or any Transaction as a securities contract and master netting agreement under the Bankruptcy Code.

(f) Each party agrees that this Agreement and the Facility Documents and the Transactions entered into hereunder are part of an integrated, simultaneously-closing suite of financial contracts.

Section 34. Conflicts. In the event of any conflict between the terms of this Agreement and any other Facility Document, the documents shall control in the following order of priority: first, the terms of this Agreement shall prevail and, second, the terms of the Facility Documents shall prevail.

Section 35. Authorizations. Any of the persons whose signatures and titles appear on Schedule 2 are authorized, acting singly, to act for Seller or Buyer under this Agreement.

Section 36. Miscellaneous.

(a) Counterparts.

(i) This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. The parties agree that this Agreement, any documents to be delivered pursuant to this Agreement and any notices hereunder may be transmitted between them by email and/or facsimile. Documents executed, scanned and transmitted electronically, and electronic signatures, shall be deemed original signatures for purposes of this Agreement and any related documents and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Agreement and any related document may be accepted, executed or agreed to through use of an electronic signature in accordance with applicable eCommerce Laws. Any

document accepted, executed or agreed to in conformity with such eCommerce Laws, by one or both parties, will be binding on both parties the same as if it were physically executed. Each party consents to the commercially reasonable use of third party electronic signature capture service providers and record storage providers.

(ii) If any party executes this Agreement or any other related document via electronic signature, (i) such party's creation and maintenance of such party's electronic signature to this Agreement or related document and such party's storage of its copy of the fully executed Agreement or related document will be in compliance with applicable eCommerce Laws to ensure admissibility of such electronic signature and related electronic records in a legal proceeding, (ii) such party has controls in place to ensure compliance with applicable eCommerce Laws, including, without limitation, §201 of ESIGN and §16 of UETA, regarding such party's electronic signature to the Agreement or related document and the records, including electronic records, retained by such party will be stored to prevent unauthorized access to or unauthorized alteration of the electronic signature and associated records, and (iii) such party has controls and systems in place to provide necessary information, including, but not limited to, such party's business practices and methods, for record keeping and audit trails, including audit trails regarding such party's electronic signature to this Agreement or related documents and associated records.

(iii) If any party executes this Agreement or any other related document via electronic signature, such party will produce, upon request by any other party, such affidavits, certifications, records and information regarding the creation or maintenance of such party's electronic signature to this Agreement or any related document to ensure admissibility of such electronic signature and related electronic records in a legal proceeding.

(b) Captions. The captions and headings appearing herein are for included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

(c) Acknowledgment. Seller hereby acknowledges that:

(i) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Facility Documents;

(ii) Buyer has no fiduciary relationship to Seller in connection with the Facility Documents;

(iii) no joint venture exists between Buyer and Seller as a result of the Facility Documents; and

(iv) it has made its own independent decisions to enter into the Facility Documents and each Transaction and as to whether such Transaction is appropriate and proper for it based upon its own judgment and upon advice from such advisors (including without limitation, legal counsel and accountants) as it has deemed necessary and Seller is not relying upon any advice from Buyer as to any aspect of the Transactions, including without limitation, the legal, accounting or tax treatment of such Transactions.

(d) Documents Mutually Drafted. Seller and Buyer agree that this Agreement and each other Facility Document prepared in connection with the Transactions set forth herein have been mutually drafted and negotiated by each party, and consequently such documents shall not be construed against either party as the drafter thereof.

Section 37. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from Buyer of this Agreement and/or the Facility Documents, and any interest and obligation in or under this Agreement and/or the Facility Documents, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement and/or the Facility Documents, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that Buyer or a BHC Act Affiliate of Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement and/or the Facility Documents that may be exercised against Buyer are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement and/or the Facility Documents were governed by the laws of the United States or a state of the United States.

Section 38. Effect of Benchmark Transition Event.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Facility Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, Buyer may amend, in good faith and in a commercially reasonable manner, this Agreement to replace Term SOFR with a Benchmark Replacement. Any such amendment will become effective at 5:00 p.m. on the fifth (5th) Business Day after Buyer has provided such amendment to Seller without any further action or consent of Seller. No replacement of Term SOFR with a Benchmark Replacement pursuant to this Section 38 will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with a Benchmark Replacement, Buyer will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Repurchase Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Seller.

(c) Notices; Standards for Decisions and Determinations. Buyer will promptly notify Seller of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Buyer pursuant to this Section 38 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest or demonstrable error and may be made in Buyer's good faith and commercially reasonable discretion and without consent from Seller.

(d) Benchmark Unavailability Period. Upon Seller's receipt of notice of the commencement of a Benchmark Unavailability Period, Seller may revoke any request for a proposed Transaction to be entered into during any Benchmark Unavailability Period.

Section 39. General Interpretive Principles. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(b) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(c) references herein to "Articles", "Sections", "Subsections", "Paragraphs", and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Agreement;

(d) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions;

(e) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision;

(f) the term "include" or "including" shall mean without limitation by reason of enumeration;

(g) all times specified herein or in any other Facility Document (unless expressly specified otherwise) are local times in New York, New York unless otherwise stated; and

(h) all references herein or in any Facility Document to "good faith" means good faith as defined in Section 5-102(7) of the UCC as in effect in the State of New York.

[THIS SPACE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date set forth above.

BUYER:

BANK OF MONTREAL

By: /s/ Michael Pryluck
Name: Michael Pryluck
Title: Managing Director

Address for Notices:

Bank of Montreal
c/o BMO Capital Markets Corp.
151 West 42nd Street
New York, New York 10036
[***]

With a copy to:

Bank of Montreal
c/o BMO Capital Markets Corp.
151 West 42nd Street
New York, New York 10036
Attn: Legal Department

Signature Page to Master Repurchase Agreement

SELLER:

UNITED WHOLESALE MORTGAGE, LLC

By: /s/ Timothy J. Forrester

Name: Timothy J. Forrester

Title: Executive Vice President and Chief Financial Officer

Address for Notices:

United Wholesale Mortgage, LLC

585 South Blvd E.

Pontiac, Michigan 48341

[***]

With a copy to:

United Wholesale Mortgage, LLC

585 South Blvd E.

Pontiac, Michigan 48341

Attn: Legal Department

Email: [***]

Signature Page to Master Repurchase Agreement

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mathew Ishbia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UWM Holdings Corporation (the “Registrant”)
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of Registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal controls over financial reporting.

Date: November 8, 2023

By: /s/ Mathew Ishbia

Mathew Ishbia
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Hubacker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UWM Holdings Corporation (the “Registrant”)
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of Registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal controls over financial reporting.

Date: November 8, 2023

By: /s/ Andrew Hubacker

Andrew Hubacker
Executive Vice President, Chief Financial Officer and Chief Accounting
Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mathew Ishbia, President, Chief Executive Officer and Chairman of UWM Holdings Corporation (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: November 8, 2023

By: /s/ Mathew Ishbia

Mathew Ishbia
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Hubacker, Executive Vice President and Chief Financial Officer and Chief Accounting Officer of UWM Holdings Corporation (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: November 8, 2023

By: /s/ Andrew Hubacker

Andrew Hubacker

Executive Vice President, Chief Financial Officer and Chief Accounting Officer

(Principal Financial Officer)