

NMI Services, Inc.

2100 Powell Street, 12th Floor
Emeryville, CA 94608
www.nationaimi.com

LOAN REVIEW SERVICES AGREEMENT

This LOAN REVIEW SERVICES AGREEMENT ("Agreement") is made and entered into as of the 11 day of December, 2019, by and between NMI Services, Inc., a Delaware corporation, with its principal place of business located at 2100 Powell Street, 12th Floor, Emeryville, CA 94608 ("NMI") and **Red Diamond Home Loans, LLC.** ("Client") (each a "Party" and collectively, the "Parties").

WITNESSETH:

WHEREAS, Client is engaged in the business of purchasing, selling, originating and/or servicing mortgage loans;

WHEREAS, NMI is engaged in the business of reviewing mortgage loans originated by others and providing various other mortgage-related services with respect to first lien residential mortgage loans secured by residential real property located within the United States;

WHEREAS, Client has requested NMI to perform Loan Review Services (as hereinafter defined) for Client on certain mortgage loans to be submitted by Client or its designee to NMI ("Mortgage Loan" or "Mortgage Loans"); and

WHEREAS, NMI is willing to perform such services, subject to the terms and conditions herein contained.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Definitions.

(a) "Aggregate Cap Payment" shall mean NMI's maximum liability for remedy payments for all Mortgage Loans closed in any Vintage Year as specified on Schedule A.

(b) "Applicable Law" means (i) any act, statute, constitution, regulation, ordinance, bulletin or official regulatory interpretation of any of the foregoing in force from time to time to which a Party is subject; (ii) the common law as applicable to the Parties from time to time; (iii) any court order, judgment, or decree that is binding on a Party; and (iv) any directive, policy, rule, or order that is binding on a Party that is issued or made from time to time by any regulator, government or government agency of, in the case of items (i) through (iv) above, any (x) country, or other national, federal, commonwealth, state, provincial, or local jurisdiction or (y) any exchange, association, quasi-governmental (e.g., Fannie Mae or Freddie Mac) or non-governmental entity that is charged with monitoring or overseeing the business practices or other activities of a Party or its affiliates whose regulations are binding on either Party or its affiliates pursuant to a self-regulating

mechanism approved by a government entity, or as a condition of eligibility for doing business with such entity.

(c) "Business Day" shall mean any day other than a Saturday, Sunday, or any holiday recognized by the United States government.

(d) "Criteria" shall mean those specific criteria relating to loan eligibility, borrower underwriting and property underwriting as set forth in the respective Seller's Guides of the Federal National Mortgage Association ("Fannie Mae" or "FNMA") and/or Federal Home Loan Mortgage Corporation ("Freddie Mac" or "FHLMC")(collectively with Fannie Mae, the "GSEs"). For the avoidance of doubt, for purposes of this Agreement, the Criteria shall be limited to the provisions in the respective GSE Selling Guides governing the origination and underwriting of mortgage loans that are eligible for purchase by the GSEs, specifically loan eligibility, borrower underwriting and property underwriting (FNMA Selling Guide, Part B, subparts B2 through B5; FHLMC Selling Guide, Series 4000 and Series 5000), as such provisions may be updated, amended and/or renumbered by Fannie Mae or Freddie Mac from time to time. Adherence to GSE guidelines shall be evidenced by documentation indicating the loan terms have been input into either Fannie Mae's Desktop Underwriter and/or Freddie Mac's Loan Advisor and received an approval rating. NMI will use any amended Criteria, beginning on a mutually acceptable date as agreed to in writing by the Parties, provided, however, that in the event such amendments materially expand the scope of NMI's services hereunder or the time necessary to review Loan Files, NMI may increase any applicable fees. Amended Criteria shall be applied to Loan Files reviewed by NMI on or after the relevant effective date; until such time, the most recently approved Criteria shall apply.

(e) "Discovery Period" shall mean, for each Loan File, the period commencing on the day the subject Mortgage Loan closed ("Close Date") and ending on the "X" anniversary of the Close Date, where "X" is the length of the Discovery Period specified on Schedule A.

(f) "Ineligible" shall mean that a Mortgage Loan originated by Client is ineligible for purchase by an Investor because it materially fails to comply with the Criteria.

(g) "Ineligibility Notice" shall mean a written Notice from Client to NMI within the Notification Period that a Mortgage Loan is Ineligible.

(h) "Investor" shall mean, as applicable, Fannie Mae, Freddie Mac or any entity that purchases residential mortgage loans from Client.

(i) "Investor Demand" shall mean, with respect to a Mortgage Loan, a written demand by Investor to Client to Repurchase or pay a Make Whole Payment.

(j) "Loan File" shall mean, with respect to a Mortgage Loan, copies of the following documents and data created or received by Client in connection with the origination of the Mortgage Loan and relied upon by the Client in making its decision in connection with the Mortgage Loan, if applicable: the borrower's signed loan application; disclosure statements; original purchase contract; buy down agreement; credit reports; verifications of employment, income, assets and deposit; evidence of the underlying property value, including all appraisals; and such other documents and supporting information customarily included in residential mortgage loan applications.

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(k) "Loan Review Fee" shall mean the per-Loan File fee payable to NMI by Client for Loan Review Services as defined herein. The Loan Review Fee is specified on Schedule A.

(l) "Loan Review Services" shall mean, with respect to a Mortgage Loan, the review of such Mortgage Loan and its related Loan File and confirmation of whether such Loan File reasonably meets the Criteria in effect at the time of NMI's receipt of the Loan File. Loan Review Services shall not include, and NMI shall not be liable for, any lending or funding decisions with respect to a Mortgage Loan.

(m) "Make Whole Payment" shall mean, with respect to a Mortgage Loan, the amount that Investor requires Client to pay (in lieu of a Repurchase) due to such Mortgage Loan's material non-compliance with the Criteria.

(n) "Notices" shall mean all notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations under this Agreement by either Party to the other.

(o) "Notification Period" shall mean, with respect to a Mortgage Loan, the thirty (30) day period commencing on the date Client receives an Investor Demand relating to such Mortgage Loan or, with respect to an Ineligibility Notice, the sixty (60) day period commencing on the Close Date of such Mortgage Loan.

(p) "Portfolio Loan" is any Mortgage Loan not intended to be sold on the secondary market but rather held or intended to be held as an investment by Client.

(q) "Remedy" is the act elected to be taken by NMI in its sole discretion pursuant to Section 10 of this Agreement in respect of a breach of this Agreement by NMI meeting the conditions of Section 8(b) of this Agreement.

(r) "Remedy Cap Payment" shall mean NMI's maximum liability per Mortgage Loan for the provision by NMI of a Remedy under this Agreement. The Remedy Cap Payment is specified on Schedule A.

(s) "Remedy Request" shall mean a properly completed and valid request for a remedy from the Client pursuant to Section 9.

(t) "Repurchase" shall mean a repurchase by Client from Investor of a Mortgage Loan due to such Mortgage Loan's material non-compliance with the Criteria.

(u) "Resubmission" shall mean the submission of a Loan File with any additional documentation and/or information, including any change in, addition to or deletion of a borrower, which an NMI loan reviewer must review to clear a condition placed by an NMI loan reviewer after the initial review of the Loan File.

(v) "Resubmission Fee" shall mean the fee payable to NMI by Client for Resubmissions. The Resubmission fee is specified on Schedule A.

(w) "Valuation Amount" shall be the value assigned by NMI to a Mortgage Loan under the Valuation Process.

(x) "Valuation Process" shall mean the measures that NMI shall undertake to determine the Valuation Amount of a Mortgage Loan that is subject to a Remedy under Section 10.a.i or 10.c in the event that the Mortgage Loan has not been sold by Client within the periods specified therein, namely: (i) NMI shall obtain bids from 3, but in any event, not less than 2, well-known, reputable purchasers of performing, non-GSE eligible residential mortgage loans or such other well-known entity that provides mortgage loan valuation services; (ii) if three bids are obtained, the Valuation Amount shall equal the middle bid; (iii) if two bids are obtained, the Valuation Amount shall be the mathematical average of the two bids; (iv) if one or no bids are obtained, the Valuation Amount shall be the unpaid principal balance of the Mortgage Loan as of the first day of the immediately preceding calendar month, less \$10,000.

(y) "Vintage Year" shall mean the calendar year in which a Mortgage Loan is closed.

2. Loan Review Services Provided by NMI.

(a) Subject to the terms and conditions of this Agreement, NMI shall perform Loan Review Services on Loan Files relating to closed end, first-lien residential Mortgage Loans.

(b) Client shall submit or cause to be submitted to NMI each Loan File for which it wishes NMI to perform Loan Review Services. NMI shall not be required to provide Loan Review Services for any Loan File unless, in NMI's sole, reasonable determination, such Loan File is complete.

(c) In providing the Loan Review Services, NMI (i) may rely upon the correctness and completeness of all information and documentation contained in each Loan File (regardless of whether any item in such Loan File is properly executed), (ii) may rely on the fact that the Loan File in question is eligible for the Loan Review Services, (iii) shall not be deemed to have guaranteed the accuracy or completeness of any information or documentation contained in each Loan File reviewed by it hereunder and (iv) shall have no duty to independently verify any information relating to one or more Loan Files, regardless of the source of such information. Any Loan Review Services provided by NMI are not intended to replace the underwriting required or suggested of persons engaged in origination of first lien residential mortgage loans by the Consumer Financial Protection Bureau, the Comptroller of the Currency or any other state and/or federal regulatory agencies, prudent purchasing and origination practices or any other Applicable Law, including, but not limited to, whether the mortgage loan is a Qualified Mortgage or meets the Ability to Repay requirements under Regulation Z of the Truth in Lending Act (as amended by the Dodd-Frank Act). Loan Review Services shall be limited to confirmations that Loan Files and/or their underlying Mortgage Loans meet (or do not meet) the Criteria and are not meant to be, and NMI hereby expressly disclaims responsibility and liability for, lending and/or credit decisions.

(d) NMI shall not be responsible for performance of any services not expressly set forth in this Agreement. For the avoidance of doubt, NMI shall not be responsible for underwriting of Loan Files or closing of Mortgage Loans, including but not limited to, issuing funding commitments, preparation or review of notes, mortgages, deeds of trust, settlement statements, closing disclosures and other closing documents; disbursement of expenses for various fees and charges incurred in the processing of Mortgage Loans which are payable or reimbursable by the borrowers, including, but not limited to, fees for credit reports, appraisals, insurance

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policies, recording and surveys; collection from Client or its designee that submitted the Loan File or disbursement to the borrower or other appropriate parties of the settlement proceeds; or funding Mortgage Loans.

(e) NMI shall not be responsible for examining, for any purpose, title, title commitments or title policies, nor shall NMI represent or warrant that good and marketable title to the property securing the Mortgage Loan exists.

(f) All standards, guidelines and criteria to be applied by NMI in its review of the Loan Files shall be as set forth in the Criteria.

(g) NMI may, in its sole discretion, engage subcontractors or agents to perform some or all of the services under this Agreement.

(h) NMI's Loan Review Services shall not include, notwithstanding inclusion in any Criteria or any amendment thereto, review of matters involving:

- (i) Mortgage Loans other than closed end, residential first-lien mortgage loans;
- (ii) Mortgage Loans in which the amount of the original principal balance of the loan secured by the underlying property exceeds or is expected to exceed the greater of a) six hundred fifty thousand dollars (\$650,000) or b) the maximum dollar amount allowed by Fannie Mae or Freddie Mac in the geographic area in which the property to be mortgaged is located, to the extent such Mortgage Loan is eligible to be sold to Fannie Mae or Freddie Mac;
- (iii) Portfolio Loans;
- (iv) Review of Loan Files where the borrower is in the Client's or originator's employ;
- (v) the originator's, Client's or any other person's compliance with Applicable Law, including but not limited to, Applicable Law related to consumer credit protection, truth-in-lending, equal credit opportunity, unfair or deceptive acts or practices, financial services privacy, security and integrity; any federal consumer financial law (as that term is defined in Section 1021(b)(14) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations), including, but not limited to, the Consumer Credit Protection Act (also known as the Truth-in-Lending Act- Regulation Z), the Equal Credit Opportunity Act-Regulation B, Title VIII of the Fair Housing Act of 1968, the Real Estate Settlement Procedures Act, the National Flood Insurance Act, the Fair Credit Reporting Act, The Patriot Act, The Federal Trade Commission Act, Subtitle A of Title V of the Gramm-Leach-Bliley Act, the Bank Secrecy Act, the regulations of the U.S. Treasury Department Office of Foreign Assets Control, the Fair and Accurate Credit Transactions

Act (FACTA), the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (such act and state legislation arising from such act, the "SAFE Act"); any "predatory lending" or "high cost home loan" laws or regulations, including but not limited to documents relevant to tangible net benefit or statement of borrower's benefits;

- (vi) the originator's, Client's or any other person's other business, advertising or lending practices, including but not limited to, usury, fair lending, or discrimination of any type whatsoever, whether direct or indirect;
- (vii) the enforceability of the Mortgage Loan and/or the deed of trust, mortgage, or other instrument securing the Mortgage Loan;
- (viii) determination of the Fannie Mae, Freddie Mac, or other classifications of any condominium project, cooperative housing project, planned unit development or *de minimis* planned unit development or compliance of any Mortgage Loan with any affordable housing program; or
- (ix) Loan Files with no evidence that the loan has been scored by Fannie's DU and/or Freddie's Loan Advisor and have received an approved rating.

(i) NMI shall not have any discretion or authority to make any lending decisions and shall not be responsible for or have any duty to provide any Mortgage Loan borrower or other third party with any notifications or disclosures required under any of the laws or regulations described in the immediately preceding Section 2(h)(v), it being understood that Client shall provide, or cause the provision of, such notifications and disclosures.

3. Procedures for Review. The following procedures will be followed in connection with NMI's performance of Loan Review Services:

(a) Location for Review. All Loan Review Services provided by NMI under this Agreement will be performed by a dedicated off-site resource.

(b) Client as Custodian. For each of the Loan Files reviewed pursuant to this Agreement via Client's loan origination systems, Client agrees to serve as Loan File custodian for NMI for a period commencing on the date the Loan File is provided to NMI and ending on the second (2nd) anniversary of the later of: (i) the Mortgage Loan termination date or (ii) the date of final disposition by Client (or any of its affiliates) of the residential property securing the Mortgage Loan. Client shall: (i) maintain and not destroy all or any part of the Loan File during this period, (ii) grant NMI access to the Loan File at any time during this period, and (iii) permit NMI to make a copy of the Loan File at any time during this period.

(c) Loan Review Determination and Timing. Upon completion of NMI's review of a Loan File, NMI shall submit to Client a Notice indicating whether the Loan File complies or fails to comply with the Criteria. NMI agrees to use commercially reasonable efforts

to review and notify Client of its recommendation with regard to each Loan File within [five (5) Business Days] after receipt of a complete Loan File. Under no circumstances shall NMI be required to complete its Loan Review Services within the time frame detailed above unless and until NMI has received (determined by NMI in its sole, reasonable discretion) a complete Loan File.

(d) Incomplete Loan Files. NMI, in its sole, reasonable discretion, may conclude that additional documentation or explanatory material is required to determine compliance with the Criteria. In such event, NMI shall send the Client or appropriate designee a suspense Notice in writing. If a Resubmission is received within thirty (30) days after the date of such suspense Notice ("Resubmission Deadline") and the Loan File is then complete, NMI shall review such Resubmission against the Criteria in effect as of the date of receipt of the original Loan File by NMI and, if applicable, a Resubmission Fee in accordance with Schedule A will then be due and payable by Client to NMI. If the required documentation is not received by NMI on or before the Resubmission Deadline, the Loan File shall be deemed to have been withdrawn by Client or its designee. If a Loan File is resubmitted after the Resubmission Deadline, the Loan File shall otherwise be treated as though it had not been previously submitted and an additional Loan Review Fee will be due, if applicable.

(e) Noncompliance Determination. NMI shall have no liability to Client with respect to a Mortgage Loan that NMI determines does not comply with the Criteria, regardless of whether such determination is erroneous or not. Client may appeal NMI's confirmation of non-compliance within 5 Business Days of such determination, which appeal shall be provided in writing and include any new or additional information relevant to NMI's review and/or specify Client's rationale explaining why such Mortgage Loan complies with the Criteria.

(f) Emerging Regulatory Compliance. The Parties recognize that the body of law regarding the SAFE Act is still developing and that application of the SAFE Act to the Loan Review Services is uncertain. NMI and its affiliates agree to reasonably diligently research (i) compliance under the SAFE Act, (ii) the SAFE Act's applicability to the Loan Review Services and (iii) licensing requirements, if any, imposed by the SAFE Act on it or its Loan Review Services personnel. Should NMI determine that action is required to bring it into compliance with the SAFE Act, it agrees to promptly take such action or terminate the Loan Review Services.

4. Fees. Client shall pay NMI a Loan Review Fee for each Loan File reviewed by NMI hereunder as specified in Schedule A. Loan Review Fees shall be due and payable regardless of NMI's determination of whether a Mortgage Loan and related Loan File meet the Criteria. As an accommodation to Client, if requested by Client, NMI shall bill Client's designee on a monthly basis for services rendered during the previous calendar month with said bill due and payable by Client's designee within thirty (30) days after the date of billing by NMI. Notwithstanding the foregoing, Client remains liable for payment of such fees. NMI shall also bill Client monthly for services rendered during the previous calendar month with said bill due and payable by Client within thirty (30) days after the date of billing by NMI. Any amounts not paid by Client or Client's designee within such thirty (30) day period shall be subject to a late charge of one and one-half percent (1 1/2%) per month. If Client's invoice remains unpaid for sixty (60) days after the date of billing by NMI, NMI reserves the right to discontinue the Loan Review Services so long as NMI has provided Client at least two (2) business days' Notice. NMI reserves the right to offset any

amounts due to Client under Section 10 (Remedies) or Schedule A herein with any amounts thirty (30) days or greater past due under this Section 4.

5. Anti-Kickback Provisions. NMI and Client agree that any payments made to NMI by Client hereunder represent the fair market value of services actually provided by NMI, and are made solely in consideration of the services provided by NMI to Client hereunder. Client agrees not to offer, promise, or give any business courtesy or gift to an NMI employee, agent, or representative for the purpose of obtaining favorable treatment with respect to a determination concerning any Mortgage Loan, Loan File or other Loan Review Services decision with the intent or appearance of intent to influence NMI's business decisions. Client further agrees to cooperate with any inquiry or investigation conducted in relation to such activities or alleged activities.

Client and NMI each hereby represents and warrants to the other that it maintains policies and procedures which are reasonably designed to prohibit and prevent the violation of anti-kick back laws and regulations and that its employees are trained not to violate, or attempt to evade any such policy, procedure or applicable anti-kickback law or regulation. Client further represents and warrants that it has a compliance management system in place to monitor compliance with such policies, procedures, laws and regulations.

6. Duties; Representations and Warranties of Client. In addition to duties of Client otherwise set forth in this Agreement, Client agrees to:

(a) Client Representative. Client shall designate representatives at the Client and, if applicable, each designee authorized by Client to submit Loan Files hereunder, with whom reviewers provided by NMI under this Agreement may discuss the Loan File(s), the Criteria, and related matters.

(b) Submission of Loan Files. Client shall submit, either by mail, fax or electronic data file, or instruct its designee to submit, for Loan Review Services a copy of each Loan File to NMI for Loan Review at any location specified on Schedule A, or alternatively, provide access to the Loan File via access to Client's loan origination systems.

(c) Compliance with Applicable Laws. Client represents and warrants that it shall comply, or instruct its designee that submitted a Loan File to comply, with all Applicable Laws, including but not limited to, Applicable Law related to consumer credit protection, truth-in- lending, equal credit opportunity, unfair or deceptive acts or practices, financial services privacy, security and integrity; any federal consumer financial law (as that term is defined in Section 1021(b)(14) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations), including, but not limited to, the Consumer Credit Protection Act (also known as the Truth-in-Lending Act- Regulation Z), the Equal Credit Opportunity Act-Regulation B, Title VIII of the Fair Housing Act of 1968, the Real Estate Settlement Procedures Act, the National Flood Insurance Act, the Fair Credit Reporting Act, The Patriot Act, The Federal Trade Commission Act, Subtitle A of Title V of the Gramm-Leach-Bliley Act, the Bank Secrecy Act, the regulations of the U.S. Treasury Department Office of Foreign Assets Control, the Fair and Accurate Credit Transactions Act (FACTA), the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (such act and state legislation arising from such act, the "SAFE Act"); any "predatory lending" or "high cost home loan" laws or regulations, including but not limited to documents relevant to tangible net benefit or statement of borrower's benefits.

(d) [RESERVED]

(e) Funding. Client shall bear all responsibility for loan decisions, funding and closing of any Loan Files.

(f) Documents. Client shall comply with all reasonable requests to furnish to NMI copies of documents held by Client relating to any Mortgage Loan or Loan File reviewed hereunder, which may be relevant to any inquiry concerning NMI's Loan Review Services. Client shall also provide NMI with access to any or all Loan Files reviewed by NMI hereunder, as may be requested from time to time by NMI during the term of this Agreement, and thereafter, to enable NMI to perform quality control audits, if any, for NMI's own internal or regulatory purposes. The foregoing duties of Client shall be in addition to and not in lieu of Client's custodial duties with regard to Loan Files, as detailed more fully in Section 3(b).

7. Termination. This Agreement shall remain in effect until terminated by either Party. Either Party may terminate this Agreement: (a) without cause upon thirty (30) days prior written Notice to the other Party or (b) immediately if: (i) the other Party violates any Applicable Law, (ii) the other Party fails to perform in any material respect any of the material terms and conditions of this Agreement and such breach or failure is not remedied within five (5) days after receipt of written Notice from the other Party or (ii) the other Party ceases its operations in the normal course of business, becomes insolvent or becomes involved in bankruptcy or liquidation proceedings. Termination shall not affect (i) Client's obligation to pay amounts owed to NMI under this Agreement or (ii) the rights and obligations with respect to acts, errors or omissions undertaken or failed to be undertaken by either Party prior to the effective date of termination. Any compensation owed pursuant to this Agreement shall continue to be due and payable with regard to services performed prior to the effective date of termination.

8. Limitation of Liability. NMI's liability in connection with this Agreement shall be limited as follows:

(a) Errors Must Be Material. Notwithstanding anything contained in this Agreement to the contrary, NMI, its subcontractors and/or agents, will not be liable in connection with this Agreement or the Loan Review Services rendered by NMI, its subcontractors and/or agents hereunder, to Client or any other person or entity in contract, tort, strict liability, equity or otherwise, for any act, failure to act, error, mistake or omission in reviewing a Loan File hereunder, unless all of the following conditions (i)-(iv) are satisfied:

- (i) the Mortgage Loan has been sold to an Investor or prior to sale, Client reasonably determines that the Mortgage Loan is Ineligible;
- (ii) The Mortgage Loan fails to comply with the Criteria, and as a result of such non-compliance, the Mortgage Loan is not eligible for purchase by Fannie Mae or Freddie Mac;
- (iii) Such act, failure to act, error, mistake or omission results in an Investor Demand or Ineligibility Notice, as the case may be; and

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(iv) Such act, failure to act, error, mistake or omission results from NMI's failure to review such Loan File in accordance with the terms and conditions of this Agreement.

(b) Recourse Limit. For Loan Review Services performed by NMI, NMI's liability shall not exceed (1) the Remedy Cap Payment per Mortgage Loan or (2) the Aggregate Cap Payment per Vintage Year.

(c) Fraud. NMI shall have no liability under this Agreement, and Client shall have no recourse, if there is evidence of any fraudulent act or omission by Client, originator, or borrower, or any of their respective agents or representatives, provided NMI was unaware of such fraud.

(d) Timing Limitations. NMI shall have no liability for any Mortgage Loan if Client does not receive an Investor Demand in connection with such Mortgage Loan within the Discovery Period or if Client fails to provide a Remedy Request or Ineligibility Notice prior to expiration of the applicable Notification Period.

(e) Subjective Interpretation. NMI and Client recognize and agree that the Criteria and their application to any Loan File entail a certain degree of subjective interpretation and necessarily involve subjective analysis of certain data where the judgment of prudent persons could differ. Accordingly, NMI does not guarantee or warrant that any third party, including, but not limited to, any reviewing authority or investor, will agree with NMI's determination that a Loan File complies with the Criteria.

(f) Subrogation. If and to the extent that NMI is liable to Client under this Agreement, Client shall preserve and, absent NMI's prior, express, written consent, shall not modify or release, any or all rights which Client may have against its designee that submitted the Loan File or any other person or entity which may be liable to Client in connection with any Loan File or Mortgage Loan for which NMI is liable to Client. NMI shall be subrogated to Client's rights against such designee, other person or entity, and Client shall assign to NMI such rights.

(g) Damages. In no event will NMI be liable to Client or others for any indirect, special, incidental or consequential or punitive damages, including, but not limited to, loss of revenue or profits, loss of savings, loss of opportunity, or disruptions of business, whether such damages occur prior to, subsequent to, or are alleged as a result of breach of any of the provisions of this Agreement, even if NMI has been advised of the possibility of such damages.

(h) Conditions Satisfied. NMI shall have no liability under this Agreement unless and until all conditions under this Agreement are satisfied in all material respects.

(i) Coordination of Benefits. Any Remedy provided under this Agreement shall be in excess over any insurance which may apply to the Mortgage Loan or the residential real property securing such Mortgage Loan.

9. Remedy Request.

(a) If NMI, its subcontractors and/or agents commit a material error in performing Loan Review Services with respect to a Loan File hereunder, as set forth above in Section 8(a), and such material error directly results in an Investor Demand

or Ineligibility Notice, Client shall file a perfected Remedy Request within the Notification Period, unless extended by the Parties. A perfected Remedy Request shall include copies of the following documents: (i) all communications from Investor, including Investor Demand, and all letters, memoranda, emails and notices, relating to such Investor Demand and/or failure of the Mortgage Loan to comply with the Criteria, (ii) all communications relating to the Ineligibility Notice, if applicable, and (iii) if applicable, evidence of a Make Whole Payment. Within thirty (30) Business Days of receipt of a Remedy Request, NMI shall give Notice to Client if the Remedy Request is deficient, and if so, what information and/or documents Client needs to submit to perfect the Remedy Request. If Client fails to provide the missing information or documentation within thirty (30) days of receipt of Notice, NMI retains the right to deny the Remedy Request, unless the parties mutually agree in writing to an extension.

- (b) Following receipt of a perfected Remedy Request, with advance Notice to Client, NMI shall undertake commercially reasonable efforts to rebut or cure the underlying deficiency(ies) alleged by the Investor in the Investor Demand or by the Client in the Ineligibility Notice ("Rebuttal Activities"). In performing Rebuttal Activities, NMI shall adhere to the rebuttal and appeal procedures and timeframes set forth in the Fannie Mae or Freddie Mac Selling Guides, as applicable. Client shall designate NMI, as well as NMI's subcontractors and agents, as its authorized representative to pursue Rebuttal Activities on Client's behalf with respect to such Investor Demand or, if applicable, the Ineligibility Notice, and shall notify the applicable Investor, accordingly.

10. Remedies. If (i) Rebuttal Activities are unsuccessful in rebutting the Investor Demand or rectifying the issues related to an Ineligibility Notice, and (ii) with respect to an Investor Demand, Client Repurchases the subject Mortgage Loan or pays a Make Whole Payment in respect of such Mortgage Loan, and (iii) NMI and/or its subcontractors and/or agents committed a material error in reviewing a Loan File hereunder, as set forth above in Section 8(a), and (iv) such material error renders NMI liable to Client under the terms set forth in this Agreement, NMI agrees to provide, at its sole reasonable election, one of the following remedies, subject to the Aggregate Cap Payment if applicable:

(a) Repurchases.

i. Non-Delinquent Loan. Within 180 days after Repurchase, Client shall cause the Mortgage Loan to be sold to an unaffiliated third party. If such Mortgage Loan is not sold within 180 days following Repurchase, NMI shall use the Valuation Process to determine the Valuation Amount, and in such case NMI shall pay Client an amount (not to exceed the Remedy Cap Payment and subject to the Aggregate Cap Payment) equal to the difference between the unpaid principal balance of the Mortgage Loan and the Valuation Amount. If, within 180 days of Repurchase, either NMI or Client obtains from an unaffiliated third party an offer to purchase such Mortgage Loan which is acceptable to NMI in its sole, reasonable discretion, Client shall promptly sell, or cause to be sold, the Mortgage Loan to such third party pursuant to the terms of such offer. For the avoidance of doubt, it shall not be reasonable for NMI to withhold its consent to a purchase offer that is 92.5% or more of the unpaid principal balance plus accrued and unpaid interest owed on the Mortgage Loan on the first day of the calendar month in which such offer is received.

Following sale of the Mortgage Loan, NMI shall pay Client an amount (not to exceed the Remedy Cap Payment and subject to the Aggregate Cap Payment) equal to the difference between (i) the amount Client is required to pay an Investor to Repurchase the Mortgage Loan (less any principal payments made by the borrower following such Repurchase but prior to sale of the Mortgage Loan to a third party) and (ii) the net proceeds received by Client upon sale of the Mortgage Loan to a third party. Client shall include with its Remedy Request documentation reflecting the price paid by Client to Repurchase the Mortgage Loan from Investor, principal payments received from Borrower through the date the Mortgage Loan is sold to such third party and the net proceeds received by Client upon sale of the Mortgage Loan to such third party.

ii. Delinquent Loan. With respect to Repurchase of a Mortgage Loan that is delinquent, no Remedy shall be due or payable hereunder until such time that (i) the Mortgage Loan has returned to a non-delinquent status for a period not less than 3 months or (ii) Client has disposed of, or caused the disposition of, the property secured by the Mortgage Loan, through foreclosure and REO sale, short sale or otherwise and following payment of all applicable mortgage insurance claims. In the event of (i), Client may submit a Remedy Request under section 10.(a)(i) above, except that the 180 day period to sell the Mortgage Loan shall commence on the date that the Mortgage Loan has reached non-delinquent status for 3 months. In the event of (ii), within 60 days after receiving and accepting a Remedy Request, NMI will pay Client's loss, subject to the Aggregate Cap Payment, which loss will be equal to the sum of: 1) the outstanding principal balance of the Mortgage Loan as of the default date; 2) the accrued and unpaid interest at the rate stated on the promissory note from the date of default to the date the property is acquired by Client or sold to a third party (excluding applicable late charges, penalties and penalty interest); 3) reasonable foreclosure and eviction costs; 4) real estate taxes and hazard insurance premiums paid between the date of default and the date the property is acquired by Client or sold to a third party; 5) reasonable expenses related to the preservation and maintenance of the property, including any reasonably necessary repairs to the property, less the following items: 1) any funds remaining in escrow as of the date of last payment by the borrower; 2) any mortgage guaranty insurance claim payments; and 3) net proceeds from the sale of the property. If the foregoing amount is: (i) \$0 or less, no amount shall be due, or (ii) greater than the Remedy Cap Payment, the Remedy Cap Payment shall be due. NMI will forward any required payment to the Client within thirty (30) days of receiving all expense information and the settlement statement from the sale of the related property. NMI's approval of the sales price is required if the net proceeds are less than 95% of the current "as is" value.

(b) Make Whole Payments. With respect to a Make Whole Payment, NMI shall pay Client the lesser of the (i) Make Whole Payment or (ii) Remedy Cap Payment.

(c) Ineligible Mortgage Loan. If NMI agrees, in its reasonable discretion, that a Mortgage Loan is Ineligible, it will confirm such agreement in writing to Client. Within 180 days after the date of such written confirmation, Client shall cause the Mortgage Loan to be sold to an unaffiliated third party. If such Mortgage Loan is not sold within 180 days following the date of NMI's written confirmation, NMI shall use the Valuation Process to determine the Valuation Amount, and in such case NMI shall pay Client an amount (not to exceed the Remedy Cap Payment and subject to the Aggregate Cap Payment) equal to the difference between the unpaid principal balance of the Mortgage Loan and the Valuation Amount. If, within 180 days of NMI's determination that a Mortgage Loan is Ineligible, either NMI or Client obtains from an unaffiliated third party an offer to purchase such Mortgage Loan which is acceptable to NMI in its sole, reasonable discretion, Client shall promptly sell, or cause to be sold, the Mortgage Loan to such

third party pursuant to the terms of such offer. For the avoidance of doubt, it shall not be reasonable for NMI to withhold its consent to a purchase offer that is 92.5% or more of the unpaid principal balance plus accrued and unpaid interest owed on the Mortgage Loan on the first day of the calendar month in which such offer is received. Following sale of the Mortgage Loan to an unaffiliated third party, NMI shall pay Client an amount (not to exceed the Remedy Cap Payment and subject to the Aggregate Cap Payment) equal to the difference between (i) 1.02 times the original principal balance of the Mortgage Loan (less any principal payments made by the borrower prior to sale of the Mortgage Loan to a third party) and (ii) the net proceeds received by Client upon sale of the Mortgage Loan to such third party. If the foregoing amount is: (i) \$0 or less, no amount shall be due, or (ii) greater than the Remedy Cap Payment, the Remedy Cap Payment shall be due. Client shall include with its Remedy Request the net proceeds received by Client upon sale of the Mortgage Loan to such third party.

(d) Aggregate Cap Payment. In no event shall aggregate payments with respect to Remedy Requests made in a Vintage Year exceed the Aggregate Cap Payment.

11. Exclusive Remedy. Upon the providing of a remedy under Section 10, NMI shall have no further obligation or liability to Client with respect to the Mortgage Loan in question.

12. Indemnification by Client. Client agrees to indemnify NMI and hold it and any of its affiliates and each of their present and future directors, officers, employees or agents (the "Indemnified Persons") harmless from all claims, losses, damages, penalties, fines, expenses (including, without limitation, interest, reasonable attorneys' fees and expenses to which the Indemnified Persons may become subject under Applicable Law, at common law or otherwise, and costs, incurred by any of them resulting or arising, directly or indirectly, in whole or in part, from Client's breach in whole or in part of any provision of this Agreement, including, but not limited to, Client's failure to (i) provide notices/disclosures under Section 2(i) of this Agreement, (ii) retain Loan Files in accordance with Section 3(b) of this Agreement, and/or (iii) comply with Applicable Law under Section 6(c) of this Agreement; and from any claim, demand, defense or assertion that the Criteria, any part of the Criteria, or the neutral application of the Criteria to any borrower or group of borrowers, violates the Equal Credit Opportunity Act and/or Regulation B promulgated thereunder, Title VIII of the Fair Housing Act of 1968, or any other similar federal, state or local consumer protection statute, rule, regulation, order or decree, or otherwise has an unlawful disparate impact upon any borrower or group of borrowers, or any claim or claims that access to or use of Client's /origination/information technology systems and/or software infringe a third party's intellectual property rights.

Indemnified Persons agree to give Notice to Client promptly in writing of any event or matter with respect to which Indemnified Persons may have the right to seek indemnification. Upon receipt of such a Notice, Client may at its expense, exercisable by giving Notice to Indemnified Persons within thirty (30) days after such receipt, assume control of the defense of the matter, including employment of counsel. Indemnified Persons shall cooperate fully with any defense by making available to Client all pertinent information under their control. Indemnified Persons may at their expense, if they so elect, designate their own counsel to participate in the conduct of any defense with counsel designated by Client. Any compromise or settlement of the matter that includes any admission of liability or wrongdoing of Indemnified Persons must be approved in writing by NMI and such Indemnified Persons.

13. No Qualification for Mortgage Guaranty Insurance. Client wishes to obtain primary mortgage guaranty insurance for some or all of the Mortgage Loans submitted to NMI under this Agreement. NMI shall attempt to place coverage of the Mortgage Loan with National Mortgage Insurance Corporation ("NMIC"), an affiliate of NMI. Nothing contained herein shall be construed as a commitment by NMI to arrange for mortgage guaranty insurance on any Mortgage Loan, nor as a representation that any Mortgage Loan would qualify for mortgage guaranty insurance. Client understands and agrees that a mortgage guaranty insurer, pursuant to its master policy(ies) for primary mortgage guaranty insurance issued to Client, will review the Mortgage Loans according to its standard procedures for primary mortgage guaranty insurance. Client understands and agrees that, with respect to Mortgage Loans submitted to NMIC for placement of mortgage guaranty insurance, NMIC shall pay NMI to provide primary mortgage guaranty insurance review services which services are a subset of the Loan Review Services provided hereunder by NMI for Client ("Insurance Review Services"). With respect to Insurance Review Services, NMI and Client agree that neither NMI nor NMIC shall have any liability under this Agreement for any failure of NMI or its representatives in their performance of Insurance Review Services with respect to any specific Loan File.

14. No Third Party Beneficiaries. Nothing in this Agreement shall be construed to create any rights or remedies for the benefit of, or create any obligation of NMI to, any designee of Client who submits Loan Files for review hereunder, or other person, other than Client. Nothing in this Agreement shall be construed to create the relation of employer and employee or of principal and agent between Client and NMI. The Parties intend that NMI or NMI's representatives are not employees or agents of Client for any purpose, but are independent contractors for all purposes and in all situations. No Party shall represent nor in any manner hold itself out to be an employee or agent of the other.

15. NMI's Employees. In order to provide the level of service required by Client, NMI's loan reviewers performing the Loan Review Services under this Agreement must have sufficient training and sophistication in mortgage lending and must be able to act quickly and independently. Client acknowledges NMI's investment in the training of such personnel and, for the period of this Agreement and six (6) months following the date of termination of this Agreement, agrees not to hire as its own employee any of NMI's personnel assigned by NMI to provide services to Client. If Client breaches this provision, Client agrees to pay NMI the amount of twenty thousand dollars (\$20,000) per individual so employed, as NMI's compensation therefor. Such amount shall be paid within thirty (30) days of such breach, and shall be due and payable regardless of termination of this Agreement.

16. Notices. All Notices shall be in writing and shall be sufficiently given and served upon the other Party if sent by certified or registered mail, return receipt requested, postage prepaid, or electronic mail, addressed as follows:

To NMI: NMI Services, Inc.
2100 Powell Street, 12th Floor
Emeryville, CA 94608
Attention: Kaylea Bosman

With a copy to: NMI Services, Inc.
2100 Powell Street, 12th Floor

NMI Services, Inc.

Emeryville, CA 94608
Attention: Contract Underwriting Department

To Client: **RED DIAMOND HOME LOANS, LLC**
165 S Kimball Ave, Suite 100
Southlake, TX 76092

Attention: Mike Porter

or to such other addresses as either Party may from time to time designate by Notice to the other. Such Notice shall be deemed given and effective, unless otherwise provided herein, when actually delivered or received. Notice delivered by electronic mail shall be effective upon receipt of a reply email from recipient acknowledging receipt, whether such acknowledgement is express or implied; however, an automatically generated and transmitted reply (e.g., "Out of Office") shall not be considered an acknowledgement of receipt. Any Notice delivered by a recognized national overnight delivery service (such as Federal Express), which provides a written receipt, shall be deemed adequate for service of Notice.

17. No Exclusivity. Nothing in this Agreement limits the right of NMI to sell or provide any of its services to any mortgage lender, mortgage purchaser or any other person or entity, and it is anticipated that NMI will continue to offer its own services to such persons or entities even though those services are similar to the services pursuant to this Agreement.

18. Waiver. No amendment, modification, or waiver of any term or condition of this Agreement shall be effective unless it is in writing and signed by a duly authorized officer of each Party, except where NMI is modifying the Loan Review Fee as set forth in Schedule A, in which instance NMI may give Notice to Client in writing, specifying the effective date of the Loan Review Fee change as specified in Schedule A. The failure of any Party to enforce any term or condition of this Agreement shall not constitute a waiver by that Party of that term or condition. The past waiver of a term or condition by any Party shall not constitute a course of conduct or a waiver in the future of that same term or condition. This Agreement cannot be modified by any subsequent practices or courses of dealing by the Parties inconsistent with this Agreement. No oral agreement or representation concerning this Agreement or the Parties' relationship binds any Party hereto.

19. Assignment. This Agreement shall not be assignable by Client. NMI may assign its rights, duties and obligations under this Agreement to NMI Holdings, Inc., parent of NMI, or any of its subsidiaries with the prior consent of Client and, in such event such entity shall be substituted for and replace NMI for all purposes of this Agreement.

20. Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of California without regard to such State's conflict of law principles.

21. Severability. If any term or provision of this Agreement or the application thereof shall be invalid or unenforceable to any extent, and the intent of the Parties hereto in entering into this Agreement is not materially frustrated or negated, the remainder of this Agreement or application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and shall be enforced to the extent permitted by law.

22. Headings. The Section and Subsection headings contained in this Agreement have been inserted for convenience of reference only and do not constitute a part of this Agreement.

23. Authority. Each Party represents and warrants to the other that this Agreement has been duly authorized and executed by such Party and constitutes a valid and binding agreement of such Party, enforceable in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, arrangement, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equity principles. Each Party shall supply to the other upon request certified copies of documents which evidence its authority to execute this Agreement.

24. Excusable Delays. Neither Party shall be liable for a failure to perform hereunder if such failure arises from causes or events beyond the reasonable control of such Party, including, but not limited to, any act of God, war, act of a public enemy, riot or other civil disorder, act of any government body, labor dispute, shortage of fuel or power, explosion, cyber-attack, telecommunication services or systems outages, epidemic, fire, flood, earthquake, windstorm, snowstorm, ice storm or other unusually severe weather.

25. Modifications. No addendum, supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the Parties to this Agreement.

26. Incorporation by Reference. The terms and provisions of the attached Schedule A are hereby incorporated in this Agreement by reference.

27. Confidentiality. From time to time, the Parties may receive certain confidential Mortgage Loan information ("Confidential Information") from each other in connection with this Agreement. The Parties agree that during the term of this Agreement and for a period of three years thereafter, they will hold in confidence all Confidential Information received in connection with this Agreement and will not disclose any such Confidential Information to third parties, except as authorized by the disclosing Party or as otherwise required or permitted by law or regulation. The term Confidential Information as used in this Agreement, shall not include any information, document, or material, regardless of form or method of delivery (including email exchange), which (a) is or becomes publicly available through no breach of this Section, (b) is provided by the disclosing Party ("Discloser") to any third party without restriction on disclosure, (c) is provided to the receiving Party by any third party without restriction on disclosure and without breach by such third party of any nondisclosure obligation, (d) is independently developed without the use of data supplied under this Agreement, or (e) is known to the receiving Party prior to disclosure or (f) is specifically required by applicable law, regulation, rule or legal process to be disclosed. Such confidentiality shall extend to information regardless of its method of delivery, (i.e., physical receipt of files at Client's mail room, exchange of information via Client's email systems, etc.).

To the extent that NMI receives any Nonpublic Personal Information (as defined at 15 USC § 1021(4)), NMI agrees that it will maintain commercially appropriate physical, technical, and administrative safeguards designed to (i) protect the security and confidentiality of such Nonpublic Personal Information in accordance with the Gramm-Leach-Bliley Act and its implementing regulations; (ii) protect against any anticipated threats or hazards to the security or integrity of such Nonpublic Personal Information, and (iii) protect against unauthorized access to or use of such Nonpublic Personal Information that could result in substantial harm or inconvenience to any

individual whose Nonpublic Personal Information is made available to the Client. NMI will notify Client of any unauthorized use of or access to Nonpublic Personal Information provided by or on behalf of the Client within 48 hours from its discovery of such unauthorized use or access.


It is understood and agreed that the information contained in the Confidential Information constitutes a valuable asset of discloser and the unauthorized disclosure and/or improper use of this information might cause irreparable damage and harm for which a remedy at law may be inadequate. Accordingly, it is understood and agreed that money damages may not alone be a sufficient remedy for any breach of this Agreement and that Discloser shall be entitled to an injunction restraining the recipient of such Confidential Information from such breach without the necessity of posting any bond therefor.

28. Books and Records. Each Party shall keep accurate records of the business transacted by it under this Agreement ("Records") and shall forward to the other such reports of said business as it may reasonably request. Each Party shall have the right to examine the other's Records at any reasonable time and to make copies of those Records. The business Records shall, except for clear and conspicuous errors, be accepted as conclusive evidence in all matters relating to this Agreement. The provisions of this paragraph shall survive the termination of this Agreement, until all obligations are finally discharged.

29. Entire Agreement. This Agreement, together with all schedules, exhibits, and riders attached hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof, and supersedes any and all prior agreements, offers, proposals, representations and understandings of the Parties, written or oral.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective the day and year first above written.

RED DIAMOND HOME LOANS, LLC

By: 
Name: Michael N. Porter
Title: President
Date: 12/12/2019

NMI SERVICES, INC

By: _____
Name: _____
Title: _____
Date: _____

SCHEDULE A

LOAN REVIEW SERVICES AGREEMENT

Between

NMI SERVICES, INC ("NMI")

And

**RED DIAMOND HOME LOANS, LLC
 ("Client"),**

**Entered into as of the 11 day of
December, 2019 ("Agreement")**

1. Client: **RED DIAMOND HOME LOANS, LLC**
Address: 165 S Kimball Ave, Suite 100
Southlake, TX 76092

Attention: Mike Porter

Capitalized terms used in this Schedule A that are not defined herein shall have the meanings given to them in the Agreement.

2. Centralized Loan Review Services: indicates any loan review request submitted to National MI's centrally located compliance underwriting platform.
3. Criteria for Centralized Loan Review Services: Fannie Mae/Freddie Mac Guidelines.
4. Fees:
 - a. \$125 per Loan File reviewed with National Mortgage Insurance Certificates.
 - b. \$425 per Loan File reviewed without National Mortgage Insurance Certificates.
5. Resubmission Fee: Resubmission shall be defined as any loan whereas the loan program has changed, a borrower has been added/deleted or any qualifying document has expired, and/or the file has been submitted for review more than three times.
 - (i) After 3 submissions: \$50 per resubmission.
6. Recourse:
 - (i) Notification Period: Three (3) years;
 - (ii) Remedy Cap Payment: the lesser of (i) \$10,000 or (ii) the amount remaining under the Aggregate Cap Payment;

NMI Services, Inc.

- (iii) Aggregate Cap Payment: lesser of \$250,000 or 2% of the aggregate principle amount of the Mortgage Loans reviewed under this Agreement for a particular Vintage Year.
- (iv) No Recourse shall be provided on any loan where the documentation provided to satisfy an underwriting condition was cleared by the customer as opposed to the NMI Underwriter.

Additional considerations

- 7. NMI reserves the right to adjust fees based upon changes in cost to provide such services upon not less than thirty (30) days prior written Notice. With respect to other matters, Client and NMI may agree to amend this Schedule from time to time in writing, including any changes to the Criteria for Loan Review Services identified in paragraph 2 above and attached in Schedule 1.

RED DIAMOND HOME LOANS, LLC

By: Michael N. Porter
Name: Michael N. Porter
Title: President
Date: 12/11/2019

NMI SERVICES, INC

By: _____
Name: _____
Title: _____
Date: _____