

Quality Control Policies and Procedures

All Senior Freedom Inc. (SFI) employees are required to follow the SFI quality control procedures listed below and must comply with HUD Handbook 4000.1, specifically Directive Number: 4235.1 regarding HECM's, in the origination and processing of loans using the following guidelines:

Loan Originators

Must do the following:

Review printed applications against the appropriate lender checklist for accuracy and complete the appropriate loan application checklist for each loan application taken before submitting for processing.

Insure that all application docs and disclosures are signed and dated by the borrower, including all required information is present, including HMDA information.

Insure that all necessary supporting documentation is provided (copies of DL, ID, SS Card, Medicare card, Insurance Dec page, death cert, trust, etc.) prior to submission to processing, or notify processor what is missing and what steps LO is taking to secure those missing documents. Must inspect all customer supplied documentation for validity to detect possible fraud or identity theft.

Make a paper copy or an electronic copy of each completed loan application for LO records prior to sending an application for processing. LO's must maintain a copy of each loan application. Electronic file copies must be stored on a password protected computer. No electronic copies are to be transmitted in the clear (email or fax) but are to be uploaded through lender supplied origination software in the notes section. If an electronic copy is in the hands of the originator, paper applications and documents may be kept until loan is closed or adversed, then must be shredded.

Notify a loan processor or manager immediately if a loan is withdrawn after application has been taken and send the applicant a notice of credit denial when the loan is withdrawn.

Notify a loan processor or manager immediately if a loan application appears to be abandoned (applicant is unresponsive to calls, emails, or correspondence). Applications that have been abandoned for more than 30 days will be deemed "withdrawn" by the applicant and LO must send a notice of credit denial showing withdrawn.

Complete a pipeline report from management monthly when requested detailing pending loan apps, apps in process, apps withdrawn, denied, or otherwise pending.

Complete a Mortgage Call Report quarterly for each application subject to the quarterly reporting requirements when requested by management.

Provide copies of all advertising, marketing material, or circulated information to management for approval to insure compliance. Submit any changes of marketing materials to management for approval prior to distribution. Due to the continually changing of products and HUD rules, no marketing material may be distributed that does not have an effective date that is no later than the date of distribution. *It is strongly recommended that LO's use lender supplied marketing materials that have been created for our use and pre-approved by one of our lenders. All advertising or any other promotional media must comply with Mortgagee letter 14-10.*

Follow any Lender / Investor specific guidelines issued concerning loan apps using that lender's proprietary documents.

Follow the guidelines and policies dictated by the SFI Red Flags Training and Policy and the Anti-Money Laundering training and policies and alert senior management in the event that possible fraud or illegal activity is suspected.

Loan Processors

Must do the following:

1. Follow the processing / submission checklist on each loan application received for processing.
2. Insure a complete loan application has been submitted to SFI for each loan entering processing, and immediately enter that loan into the Loan Application Database.
3. Scan each paper loan application received and place in submission order and scan each supporting document as it is received. Upload the scanned application into the documents page of Reversevision as soon as the initial app is scanned so that management can view the loan app and the lender is notified that they have a live loan application.
4. Paper loan applications and supporting docs may be maintained in one folder with no documents for a particular loan stored elsewhere until they have been scanned and converted to an electronic file. Once scanned, paper applications shall be shredded..
5. Maintain each electronic loan application file in one folder on the computer with no documents for that loan stored elsewhere except for electronic backup purposes. All electronic loan files shall be stored on a password protected computer with backup copies stored offsite on a cloud based storage system that is encrypted.
6. Backup all electronic loan files being processed on a daily basis through an online automatic backup system that can be accessed by management at any time.
7. Provide access to the electronic copy of each submitted loan file to the appropriate SFI manager and any designated corporate officer.
8. Insure that time sensitive loan disposition requirements are met. Insure that denials are sent in a timely manner for withdrawn, transferred, or declined loans.
9. Review all closing documents from lenders prior to closing to insure accuracy.
10. Maintain in each loan file a copy of signed closing documents for each closed and funded loan.
11. Paper loan files that are closed or adversed must be backed up electronically and then the paper loan file must be redacted or destroyed to prevent the potential loss of sensitive customer information.
12. Follow any Lender / Investor specific guidelines issued concerning their proprietary loan documents.
13. Credit reports are to never be maintained in print form. Processors must save a pdf version of credit reports from the bureau website. If a credit report is printed for any reason, it must be immediately redacted to prevent the potential loss of customer sensitive information.
14. Processors must follow the guidelines and policies dictated by the SFI Red Flags Training and Policy and the Anti-Money Laundering training and policies and alert senior management in the event that possible fraud or illegal activity is suspected.

Managers and Corporate Principles

Must do the following:

1. Maintain access to a loan registration and pipeline report system for all active, adversed, and closed loan applications.
2. Review each loan file submitted to an investor / lender to insure that it meets quality control and compliance standards. Complete loan files that have been submitted are available in the Reversevision application.
3. Review and approve all marketing materials or changes to marketing materials created by originators prior to distribution. Insure that all distributed material, with the exception of business cards, has an effective date prior to distribution and complies with ML14-10.

4. Maintain a copy of all marketing materials used by originators.
5. Maintain the electronic files of each loan submitted, closed, or denied, including an automatic online file backup system. Loan applications that are scanned and transmitted by Loan officers will be maintained in an electronic file. Any paper loan application documents must be redacted or destroyed after an electronic copy is made and backed up.
6. Each month, compare loan applications created in Reversevision to loans registered in the active loan application pipeline and account for any loan applications that are not in the active pipeline.

The above listed procedures for the quality control policy may be amended from time to time and distributed to investors, originators, processors, and managers. All employees must read and attest to the policies and procedures and attest to any modifications to the policies and procedures that are distributed in the future.

Attestation follows:

**Senior Freedom Inc.
Quality Control Policies and Procedures Acknowledgment**

I hereby certify that I have read and received a copy of the Senior Freedom Inc. Quality Control Policies and Procedures (ths form pages 1-3) and a copy of HUD Handbook 4000.1, Directive Number: 4235.1 –Home Equity Conversion Mortgages. I understand and agree to conduct myself according to the policies and procedures contained therein. I understand that the policies and procedures may be modified from time to time and that I must conduct myself according to those updated policies and procedures when transmitted to me.

Signature

Date

Printed Name

Position

Senior Freedom Inc. - 2505 Wanakah Ridge Dr, Cedar Park, TX 78613 NMLS: 1203862