

SEC RULE 17G-7 R&W BENCHMARK: RMBS v4.0

The description in this report of the asset-pool related representations, warranties and enforcement mechanisms available to investors in the Transaction (this "17g-7 Report") is based solely upon the forms of the offering documents (and, in limited circumstances, the transaction documents) that have been provided to Moody's by the issuer as of the date of this 17g-7 Report (or as of the date of any subsequent credit rating report issued by Moody's that refers to or includes this 17g-7 Report, to the extent so stated in such subsequent credit rating report). The issuer has advised Moody's that such forms of documents conform in all material respects to the documents in effect for the Transaction as of the date of this 17g-7 Report (or as of the date of the subsequent credit rating report issued by Moody's that refers to or includes this 17g-7 Report). Moody's has not undertaken any other investigation into the accuracy of the issuer's statement.

In rating the Transaction, Moody's evaluates the representations, warranties and enforcement mechanisms contained in the offering documents (and, in limited circumstances, the transaction documents) solely as and to the extent described in its rating criteria. Further, Moody's rating may depend significantly on factors other than such representations, warranties and enforcement mechanisms. Moody's does not in this 17g-7 Report provide any opinion or recommendation as to the adequacy or effectiveness of the representations, warranties and enforcement mechanisms described herein (whether with respect to the Transaction or the Benchmark). Investors must conduct their own analysis of the adequacy and effectiveness, and of the legal and other implications, of the representations, warranties and enforcement mechanisms in the Transaction.

Moody's has prepared the Benchmark based solely on its review of documentation for a sampling of transactions previously rated by Moody's and its knowledge of industry standards and the market in general. In rating such prior transactions, Moody's likely relied significantly on factors other than the representations, warranties and enforcement mechanisms contained in the related transaction documents. Except to the extent described herein, Moody's has not undertaken to determine whether or to what extent the representations, warranties or enforcement mechanisms in such prior transactions differ from those in transactions that have not been rated by Moody's. Further, in determining which transactions are similar to the Transaction for purposes of preparing this 17g-7 Report, Moody's has relied on its own perception and opinion and has necessarily treated certain transactions as not being "similar" to each other for purposes of this 17g-7 Report, even though they may be similar in one or more respects. Accordingly, there may be transactions in the marketplace that are similar in one or more respects to the Transaction and contain one or more representations, warranties or enforcement mechanisms that differ from or are not included in the Benchmark or in the documents for the Transaction.

The asset-backed securities market is dynamic and continuously evolving. Accordingly, representations, warranties and enforcement mechanisms in asset-backed securities transactions may change or differ over time or from one transaction to another, depending on circumstances or the perceptions of market participants. Moody's may periodically update the Benchmark; however, there can be no assurance that the Benchmark will always reflect the current state of the market in all material respects.

Moody's is not issuing or offering any securities in the Transaction or otherwise participating in any such issuance or offering. Any such offer can only be made through the issuer. Neither the issuer of the securities referred to herein, nor any other person, is authorized to include this 17g-7 Report (or any portion hereof) in any registration statement, prospectus, free writing prospectus, private placement memorandum or any other disclosure document or regulatory filing, or otherwise to use this 17g-7 Report, directly or indirectly, to sell or offer to sell, or to buy or offer to buy, any security.

As used in this 17g-7 Report, which has been prepared for an RMBS transaction, the language "no comparable item" means no comparable representation, warranty or enforcement mechanism (or element thereof) is explicitly set forth in the offering documents (including any exhibit thereto), provided, however, that if such offering documents do not contain any summary of the representations, warranties or enforcement mechanisms (or element thereof) for the Transaction, then "no comparable item" means no comparable representation, warranty or enforcement mechanism (or element thereof) is explicitly stated in (1) the offering documents, (2) any document that is incorporated by reference into, or attached as an exhibit to, the offering documents, (3) any document referenced in the offering documents as expressly qualifying information contained in the offering documents or (4) any document to which the disclosure in the offering documents is either (i) expressly stated to be subject or (ii) expressly stated to be construed together with.

This 17g-7 Report is made available to comply with Rule 17g-7 under the United States Securities Exchange Act of 1934, as amended. The Benchmark used in this 17g-7 Report has been prepared based on a review of United States transactions only.

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I. ASSET REPRESENTATIONS

- A. **Representations and Warranties related to Mortgage Loans.** With respect to each Mortgage Loan sold by it to the Mortgage Loan Seller, each Originator hereby represents and warrants to the Mortgage Loan Seller and its assigns that, as of the date such Mortgage Loan is sold (the "Closing Date") or such other date specified herein:
- (a) **Appraisal/ Property Valuation.** The Mortgage File contains an Appraisal of the related Mortgaged Property prepared by an appraiser licensed or certified by the applicable governmental body in which the mortgaged property is located in conformity (in form and substance) with the Uniform Standards of Professional Appraisal Practice ("USPAP") standards and in accordance with the requirements of Title XI of FIRREA. Such Appraisal satisfies current industry practices and complies with (i) Applicable Laws and (ii) customary Fannie Mae or Freddie Mac standard for mortgage loans of the same type as such Mortgage Loans. The Appraisal was made and signed, prior to the final approval of the Mortgage Loan application, by a Qualified Appraiser. Any Person performing any property valuation (including the appraiser) received no benefit from, and such Person's compensation or referral of further business or flow of business from the Originator was not affected by, the approval or disapproval of the Mortgage Loan. The selection of the Person performing the property valuation was made (i) independently of the broker and the Originator's loan sales and loan production personnel and (ii) in accordance with the criteria of Fannie Mae and Freddie Mac for selecting an independent appraiser.
 - (b) **Income, Employment, and Assets.** With respect to each Mortgage Loan whose document type on the Mortgage Loan Schedule indicates documented income, employment, and/or assets, the Originator verified the Mortgagor's income, employment, and/or assets in accordance with the Underwriting Guidelines and employed procedures designed to authenticate the documentation supporting such income, employment, and/or assets. With respect to each Mortgage Loan, in order to test the reasonableness of the income, the Originator used (i) pay statements reflecting current and year-to-date earnings and deductions, (ii) copies of W-2 forms and tax returns provided by Mortgagor, (iii) transcripts received from the IRS pursuant to using IRS Forms 4506 or 4506-T or (iv) where commercially reasonable, public and/or commercially available information (such as salary.com). The Originator reviewed other attributes of the Mortgagor, which may include but are not limited to, assets, disposable income, reserves, employment and credit history, and reasonably determined that such attributes supported the income used to approve the Mortgage Loan. With respect to each Mortgage Loan, other than a Mortgage Loan whose document type on the Mortgage Loan Schedule indicates documented income, the originator employed a commercially reasonable process designed to test the reasonableness of the income used to approve documented Mortgage Loans.
 - (c) **Occupancy.** The Mortgaged Property is lawfully occupied under Applicable Law. The Originator has given due consideration to factors, including but not limited to, other real estate owned by a Mortgagor, commuting distance to work, appraiser comments and notes, the location of the property and any difference between the mailing address active in the servicing system and the subject property address to evaluate whether the occupancy status of the property as represented by the Mortgagor is reasonable.
 - (d) **Mortgage Loan Schedule.** The information set forth in the Mortgage Loan Schedule (including information contained under each heading in the Mortgage Loan Schedule) annexed to the related Confirmation and the information contained on each related electronic data file delivered to the Mortgage Loan Seller is complete, true and correct and accurately reflects the terms of the documents contained in the Mortgage File in all material respects. And any seller or builder concession in excess of the allowable limits established by Fannie Mae or Freddie Mac and applicable at the time of origination has been subtracted from the Appraised Value of the Mortgaged Property for purposes of determining the LTV and CLTV. With respect to each Mortgage Loan and as of the Closing Date, the most recent FICO score listed on the Mortgage Loan Schedule was no more than [four (4) months][twelve (12) months] old. As of the date of funding of the Mortgage Loan to the Mortgagor, no Appraisal or other property valuation listed on the Mortgage Loan Schedule was more than [ninety (90)][one hundred eighty(180)] calendar days old.
 - (e) **No Fraud.** No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to a Mortgage Loan has taken place (i) on the part of the Obligated Party, or to the best of Originator's knowledge after due inquiry, the Mortgagor, or any other Person, including, without limitation, any servicer, any appraiser, builder, developer, escrow agent, broker or correspondent, closing or settlement agent, closing attorney, realtor, title company or any other party involved in the solicitation, origination, sale or servicing of the Mortgage Loan or in the determination of the value of the Mortgaged Property or the sale of the Mortgaged Property, (ii) in the application for any insurance in relation to such Mortgage Loan or in connection with the sale of such Mortgage Loan to the Mortgage Loan Seller, or (iii) that would impair in any way the rights of the Mortgage Loan Seller in the Mortgage Loan or Mortgaged Property or that violated Applicable Law. Neither an Obligated Party nor any other Person has made any representations to the Mortgagor that are inconsistent with the Mortgage Loan Documents.
 - (f) **Underwriting Guidelines.** Each mortgage loan either (i) was underwritten in substantial conformance with the Originator's underwriting guidelines in effect at the time of origination without regard to any underwriter discretion or (ii) if not underwritten in substantial conformance with the Originator's underwriting guidelines, has reasonable and documented compensating factors. The methodology used in underwriting the extension of credit for the mortgage loan includes objective mathematical principles that relate to the relationship between the Mortgagor's income, assets and liabilities and the proposed payment.
 - (g) **Mortgage Insurance.** [Each mortgage loan with a loan-to-loan value ratio at origination in excess of 80% is and will be subject to a primary mortgage insurance (PMI) policy issued by a qualified insurer, which provides coverage in an amount at least equal to that which would be required by Fannie Mae. All provisions of such mortgage insurance policy have been and are being complied with, such policy is in full force and effect, and all premiums due thereunder have been paid.] [No Mortgage Loan has primary mortgage insurance.]
 - (h) **Insurance Coverage Not Impaired.** With respect to any insurance policy including, but not limited to, hazard, title, or mortgage insurance, covering a Mortgage Loan and/or the related Mortgaged Property, neither the Originator nor any prior holder, has engaged in, and Originator has no knowledge of the Mortgagor's having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsements therein, or the validity and binding effect of either, including without limitation, no unlawful fee, commission, kickback or other unlawful compensation or value of any kind has been or will be received, retained or realized by any attorney, firm or other person or entity, and no such unlawful items have been received, retained or realized by the Originator. No action, inaction, or event has occurred and no state of facts exists or has existed that has resulted or will result in the exclusion from, denial of, or defense to coverage, under any such insurance policies, regardless of the cause of such failure of coverage.
 - (i) **Regulatory Compliance.** Any and all requirements of any federal, state or local law including, without limitation, all applicable predatory and abusive lending, usury, truth-in-lending, real estate settlement procedures, consumer credit protection (including Uniform Consumer Credit Code laws, where applicable), fair credit reporting, unfair collection practices, equal credit opportunity or fair housing and disclosure laws applicable to the origination, servicing and collection of each such Mortgage Loan have been complied with in all material respects. The servicing of each Mortgage Loan prior to the securitization closing date complied in all material respects with all then-applicable federal, state and local laws.
 - (j) **Borrower.** The Mortgagor is one or more natural persons and/or trustees for an Illinois land trust or a trustee under a "living trust" and such "living trust" is in compliance with Fannie Mae guidelines applicable at the time of origination of the related Mortgage

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Loan or otherwise permitted in the Underwriting Guidelines. In the event the Mortgagor is a trustee of a "living trust," such trustee is a natural person and is an obligor under the Mortgage Note in his or her individual capacity. The Mortgagor is either a United States citizen or a permanent resident alien who has the right legally to live and work permanently in the United States. The Mortgagor was not the subject of a bankruptcy proceeding that was dismissed or discharged in the seven (7) years prior to the origination of the Mortgage Loan (or such other time period as set forth in the Underwriting Guidelines), unless such bankruptcy was indicated in the Mortgage File and was taken into consideration in accordance with the Underwriting Guidelines. The Mortgagor has not previously owned a property with respect to which a foreclosure sale was completed or with respect to which title was conveyed to the Originator or a deed in lieu of foreclosure was given in the seven (7) years prior to the origination of the related Mortgage Loan (or such other time period as set forth in the Underwriting Guidelines).

- (k) Source of Loan Payments. No portion of the Mortgage Loan proceeds has been escrowed for the purpose of making monthly payments on behalf of the Mortgagor and no payments due and payable under the terms of the Mortgage Note and Mortgage or deed of trust, except for seller or builder concessions or amounts paid or temporary buy-down funds, have been paid by any Person (other than the Mortgagor and any guarantor) who was involved in, or benefited from, the sale or purchase of the Mortgaged Property or the origination, refinancing, sale, purchase or servicing of the Mortgage Loan. For the avoidance of doubt, renters and a Mortgagor's friends and family, when acting in such capacity and not as parties or representatives of parties involved in the building, selling or financing of a Mortgaged Property, are not considered to be persons who benefited from the sale or purchase of the Mortgaged Property or the origination, refinancing, sale, purchase or servicing of a Mortgage Loan.
- (l) Down-payment. Except as otherwise indicated on the Mortgage Loan Schedule, the Mortgagor paid at least the greater of [3][5]% of the purchase price with his/her own funds.
- (m) Ownership/ No Prior Liens. The Originator, or MERS as nominee for the Originator, is the sole owner and holder of the Mortgage Note and the Mortgage (and with respect to any Cooperative Loan, the sole legal, beneficial and equitable owner of the related Cooperative Pledge Agreement). The Originator has full right and authority under all governmental and regulatory bodies having jurisdiction over such Originator, subject to no interest or participation of, or agreement with, any party, to transfer and sell the Mortgage Loan to the Mortgage Loan Seller pursuant to this Agreement free and clear of any encumbrance or right of others, equity, lien, pledge, charge, mortgage, claim, participation interest or security interest of any nature (collectively, a "Lien"); and immediately upon the transfers and assignments herein contemplated, the Originator shall have transferred and sold all of its right, title and interest in and to each Mortgage Loan and the Mortgage Loan Seller will hold good, marketable and indefeasible title to, and be the owner of, each Mortgage Loan subject to no Lien. Following the sale of the Mortgage Loan to the Mortgage Loan Seller, the Mortgage Loan Seller will own and hold such Mortgage Loan free and clear of any and all encumbrances, equities, participation interests, liens, pledges, charges, claims (including, but not limited to, any preference or fraudulent transfer claims), agreements with other parties to sell or otherwise transfer the Mortgage Loan or security interest of any nature encumbering such Mortgage Loan.
- (n) Security Interest/ Enforceability and Priority of Lien. The Mortgage is a valid, existing, enforceable and perfected, first lien and first priority security interest on the Mortgaged Property therein described. The Mortgaged Property is free and clear of all encumbrances and liens having priority over the lien of the Mortgage except for (i) liens for real estate taxes and special assessments not yet due and payable, (ii) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording which are acceptable to mortgage lending institutions generally, and which are referred to or otherwise considered in the appraisal made for the originator of the Mortgage Loan or which do not adversely affect the Appraised Value, (iii) liens created pursuant to any federal, state or local law, regulation or ordinance affording liens for the costs of cleanup of hazardous substances or hazardous wastes or for other environmental protection purposes, (iv) such other matters to which like properties are commonly subject that do not individually or in aggregate materially interfere with the benefits of the security intended to be provided by the Mortgage and (v) any security agreement, chattel mortgage or equivalent document. Any security agreement, chattel mortgage or equivalent document related to and delivered in connection with the Mortgage Loan establishes a valid and existing first lien on the property described therein and the Originator has the full right to sell and assign the same to the Trustee, Depositor or Seller, as applicable.
- (o) Complete Mortgage Files. The Mortgage Loan Documents for the related Mortgage Loans have been or will be delivered to the Custodian in compliance with this Agreement and the Seller Guide. The Originator is in possession of a complete Mortgage File (including all documents used in the qualification of the Mortgagor and documents necessary to foreclose on the Mortgaged Property) for each Mortgage Loan in compliance with Exhibit [], except for such documents the originals of which have been delivered to the Custodian, and all documents required to be included in the Mortgage File shall be complete, executed as required and in compliance with Applicable Law, and each appears regular on its face.
- (p) No Prior Modifications. The terms of the Mortgage Note and the Mortgage have not been impaired, waived, altered or modified in any [material] respect, except by a written instrument that, if required by applicable law, has been recorded or is in the process of being recorded. If a Mortgage Loan has been modified, the modified terms are reflected on the Mortgage Loan Schedule and the modification has been approved by each Insurer as required thereby.
- (q) No Satisfaction of Mortgage. The Mortgage has not been satisfied, canceled, subordinated or rescinded, in whole or in part, except in each case as reflected in an agreement included in the Trustee Mortgage File, and the Mortgaged Property has not been released from the lien of the Mortgage, in whole or in part, unless otherwise indicated on the Mortgage Loan Schedule, nor has any instrument been executed that would effect any such satisfaction, release, cancellation, subordination or rescission.
- (r) Taxes and Assessments/ No Outstanding Charges. All taxes, governmental assessments, insurance premiums, leasehold payments, ground rents, water, sewer and municipal charges or other outstanding charges affecting the related Mortgaged Property, which previously became due and owing have been paid by the mortgagor, or an escrow of funds has been established to the extent permitted by law, in an amount sufficient to pay for every such item which remains unpaid and which has been assessed but is not yet due and payable.
- (s) Mortgaged Property Undamaged/No Condemnation. The Mortgaged Property is in good repair and undamaged by the following (but not limited to) water, waste, fire, earthquake or earth movement, windstorm, hurricane, flood, tornado or other casualty so as to affect adversely the value of the Mortgaged Property as security for the Mortgage Loan or the use for which the premises were intended, and each Mortgaged Property is in substantially the same condition it was at the time the most recent appraised value was obtained. There is no proceeding pending or, to the best of the Mortgage Loan Seller's knowledge, threatened for the total or partial condemnation of the Mortgaged Property.
- (t) No Mechanics Liens. There are no mechanics' or materialmen's or similar liens, encumbrances or claims which have been filed for work, labor or material (and no rights are outstanding that under the law could give rise to such liens) affecting the related Mortgaged Property which are or may be liens prior to, or equal or coordinate with, the lien of the related Mortgage.
- (u) Fee Simple Estate/ No Encroachments / Compliance with Zoning. Except for Mortgage Loans secured by Cooperative Shares and Mortgage Loans secured by residential long-term leases, the Mortgaged Property consists of a fee simple estate in real property. All improvements subject to the Mortgage which were considered in determining the Appraised Value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of the Mortgaged Property (and wholly within the project with respect to

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a condominium unit). No improvements on adjoining properties encroach upon the Mortgaged Property except those which are insured against by the related title insurance policy. All improvements on the Mortgaged Property comply with all applicable zoning and subdivision laws and ordinances.

- (v) Leasehold Interests. To the extent the Mortgage Loan is secured by a leasehold interest: as of the origination date of the Mortgage Loan (1) the Mortgagor is the owner of a valid and subsisting interest as tenant under the lease and is not in default thereunder, (2) the lease is in full force and effect, (3) all rents and other charges have been paid, (4) the lessor under the lease is not in default, (5) the execution, delivery, and performance of the Mortgage do not require the consent (other than the consents that have been obtained and are in full force and effect) under, and will not violate or cause a default under, the terms of the lease, (6) the lease is assignable or transferable, (7) the term of such lease does not terminate earlier than [five]/[ten] years after the maturity date of the Mortgage Note, (8) the lease does not provide for termination of the lease in the event of the Mortgagor's default without written notice to the Mortgagee and a reasonable opportunity to cure the default, (9) the lease permits the mortgaging of the related Mortgaged Property, (10) the lease protects the Mortgagee's interests in the event of a property condemnation and (11) the Mortgaged Property is located in a jurisdiction in which the use of leasehold estates for residential properties is an accepted practice.
- (w) Licenses; Compliance. As of the related Closing Date, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Mortgaged Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities, and no Person has received any notice regarding any noncompliance with any use or occupancy law, ordinance, regulation, standard, licenses or certificates with respect to the Mortgaged Property.
- (x) Mortgage Loan Legal and Binding. The Mortgage Note and the related Mortgage, are genuine, and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms, except as such enforcement may be limited by (i) bankruptcy, insolvency, liquidation, receivership, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity, whether enforcement is considered in a proceeding in equity or at law. All parties to the Mortgage Note and the Mortgage, had the legal capacity to execute the Mortgage Note and the Mortgage, and the Mortgage Note and the Mortgage have been duly and properly executed by such parties.
- (y) Proceeds Fully Disbursed / Recording Fees Paid. The proceeds of the Mortgage Loan have been fully disbursed to or for the account of the Mortgagor. There is no obligation for the Mortgagee to advance additional funds thereunder. Any and all requirements as to completion of any on site or off site improvement and as to disbursements of any escrow funds there for have been complied with (except for escrow funds for exterior items, which could not be completed due to weather, and escrow funds for the completion of swimming pools scheduled to be completed 12 months following the closing date). All costs, fees and expenses incurred in making or closing the Mortgage Loan and the recording of the Mortgage have been paid, except recording fees with respect to a Mortgage not recorded as of the Closing Date, and the Mortgagor is not entitled to any refund of any amounts paid or due to the Mortgagee pursuant to the Mortgage Note or Mortgage.
- (z) Existence of Title Insurance. Each Mortgage Loan (except (1) any Mortgage Loan secured by a Mortgaged Property located in any jurisdiction as to which an opinion of counsel of the type customarily rendered in such jurisdiction in lieu of title insurance is instead received and (2) any Mortgage Loan secured by Cooperative Shares) is covered by an ALTA lender's title insurance policy or other form of policy or insurance generally acceptable to Fannie Mae or Freddie Mac, issued by a title insurer acceptable to Fannie Mae or Freddie Mac and qualified to do business in the jurisdiction where the Mortgaged Property is located, insuring (subject to certain exceptions) the Originator, its successors and assigns, as to the first priority lien of the Mortgage in the original principal amount of the Mortgage Loan and, with respect to any Adjustable Rate Mortgage Loan, against any loss by reason of the invalidity or unenforceability of the lien resulting from the provisions of the Mortgage providing for adjustment to the Mortgage Interest Rate and Monthly Payment. Where required by applicable state law or regulation, the Mortgagor has been given the opportunity to choose the carrier of the required mortgage title insurance. The Originator, its successors and assigns, are the sole insureds of such lender's title insurance policy; such title insurance policy has been duly and validly endorsed to the Mortgage Loan Seller or the assignment to the Mortgage Loan Seller of the Originator's interest therein does not require the consent of or notification to the insurer; and such lender's title insurance policy is in full force and effect and will be in full force and effect upon the consummation of the transactions contemplated by this Agreement. No claims have been made under such lender's title insurance policy, and no prior holder of the related Mortgage, including the Originator, has done, by act or omission, anything which would impair the coverage of such lender's title insurance policy.
- (aa) Hazard Insurance. The Mortgaged Property is insured by a Qualified Insurer acceptable to Fannie Mae Standards, applicable at the time of origination, against loss by fire, hazards of extended coverage, other hazards required by Fannie Mae to be covered, and other hazards that are customary in the area where the Mortgaged Property is located, in each case, pursuant to insurance policies conforming to Accepted Servicing Practices, in an amount not less than the lesser of (i) the full insurable value of the Mortgaged Property or (ii) the outstanding principal balance owing on the Mortgage Loan, but in no event less than the minimum amount necessary to fully compensate for any damage or loss on a replacement cost basis. If the Mortgaged Property is a condominium unit, it is included under coverage afforded by a blanket policy for the project. If the Mortgaged Property was, at origination of the Mortgage Loan, in an area identified on a flood hazard map or flood insurance rate map issued by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect, which policy was issued by a Qualified Insurer and provides coverage in the an amount equal to not less than the least of (i) the outstanding principal balance of the Mortgage Loan, (ii) the full insurable value of the Mortgaged Property, and (iii) the maximum amount of insurance that was available under the National Flood Insurance Act of 1968, as amended. All individual insurance policies on the date of origination, contained a standard mortgagee clause naming the Originator and its successors and assigns as mortgagee and as loss payee and such clause is still in effect, and all premiums thereon have been paid. Each such insurance policy may not be reduced, terminated or canceled without thirty (30) calendar day's prior written notice to the mortgagee. No such notice has been received by any Obligated Party. The Mortgage obligates the Mortgagor thereunder to maintain all such hazard insurance policies at the Mortgagor's cost and expense. Should the Mortgagor fail to do so, the Mortgage authorizes the holder of the Mortgage to obtain and maintain such insurance at such Mortgagor's cost and expense, and to seek reimbursement therefor from the Mortgagor. Each such insurance policy is the valid and binding obligation of the Insurer, is in full force and effect, and will be in full force and effect and inure to the benefit of the Mortgage Loan Seller upon the consummation of the transactions contemplated by this Agreement. No action, inaction, or event has occurred and no state of facts exists or has existed that has resulted or will result in the exclusion from, denial of, or defense to coverage, under any such insurance policies, regardless of the cause of such failure of coverage.
- (bb) No Default. There is no default, breach, violation or event of acceleration existing under the Mortgage or the related Mortgage Note and no event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration. No default, breach, violation or event of acceleration has been waived. No foreclosure action is currently threatened or has been commenced with respect to the Mortgage Loan.
- (cc) No Rescission. The Mortgage Note and the Mortgage are not subject to any right of rescission, reformation, set-off, counterclaim or defense, including without limitation the defense of usury, nor will the operation of any of the terms of the Mortgage Note or the Mortgage, or the exercise of any right thereunder, render either the Mortgage Note or the Mortgage unenforceable, in whole or in part, or subject to any right of rescission, reformation, set-off, counterclaim or defense, including without limitation the defense of usury, and no such right of rescission, reformation, set-off, counterclaim or defense has been asserted with respect thereto.

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- (dd) Enforceable Right of Foreclosure. The Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security. There is no homestead or other exemption available to the Mortgagor that would interfere with such right of foreclosure.
- (ee) Mortgaged Property is 1-4 Family. Unless noted on the Mortgage Loan Schedule, each Mortgaged Property is a fee simple estate that is located in the United States or a territory of the United States, at the street address and state identified in the Mortgage Loan Schedule and consists of a one- to four-unit residential property, which may include, but is not limited to, a single family dwelling, townhouse, condominium unit or a unit in a planned unit development. No residence is a mobile or manufactured home. As of the date of origination, no portion of the Mortgaged Property was used for commercial purposes, and since the date of origination no portion of the Mortgaged Property has been used for commercial purposes (other than the use of a portion of such Mortgaged Property or residence as a home office).
- (ff) Mortgage Loan Qualifies for REMIC. Each Mortgage Loan is a "qualified mortgage" within Section 860G(a)(3)(A) of the Code.
- (gg) Lost Note Affidavit. With respect to any Mortgage Loan as to which an affidavit has been delivered to the Mortgage Loan Seller certifying that the original Mortgage Note is no longer in existence or cannot be located after a diligent search, if such Mortgage Loan is subsequently in default, the enforcement of such Mortgage Loan will not be materially adversely affected by the absence of the original Mortgage Note.
- (hh) Doing Business. The Mortgage Loan was originated by a savings and loan association, a savings bank, a commercial bank, credit union, insurance company, or similar institution that is supervised and examined by a federal or state authority or by a mortgagee approved by the Secretary of Housing and Urban Development pursuant to Sections 203 and 211 of the National Housing Act. All parties which have had any interest in the Mortgage Loan, whether as Originator, mortgagee, assignee, pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were): (A) organized under the laws of such state, or (B) qualified to do business in such state, or (C) federal savings and loan associations or national banks having principal offices in such state, or (D) not otherwise required to be licensed or file "doing business" or similar documentation in such state. All parties which have had any interest in the Mortgage Loan were in compliance with any and all applicable "doing business" and licensing requirements of the laws of the state wherein the Mortgaged Property is located or were not required to be licensed or file "doing business" or similar documentation in such state. Sponsor and each other Obligated Party and any servicer is (or, during the period in which it held and disposed of an interest in any Mortgage Loan or engaged in any activity with respect to any Mortgage Loan, was) duly licensed or approved and validly authorized under applicable law to originate, own, service, hold an interest in, or engage in activities with respect to such Mortgage Loan, or was exempt from such licensing or approval requirements, and all other parties that have had any interest in any Mortgage Loan, whether as mortgagee, assignee, pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were) in compliance with any and all applicable licensing requirements of the laws of the state wherein the related Mortgaged Property is located.
- (ii) Environmental Laws. To the Originator's knowledge, as of origination of the Mortgage Loan, the related Mortgaged Property was in material compliance with all applicable environmental laws pertaining to environmental hazards including, without limitation, asbestos, and the Mortgaged Property is free from any and all toxic or hazardous substances. Neither the Originator nor, to the Originator's knowledge, the related Mortgagor, has received any notice of any violation or potential violation of such law. There is no pending action or proceeding directly involving any Mortgaged Property in which compliance with any environmental law, rule or regulation is an issue and nothing further remains to be done to satisfy in full all requirements of each such law, rule or regulation constituting a prerequisite to use and enjoyment of said property;
- (jj) Payments Current. All payments required to be made up to the close of business on the related Closing Date for such Mortgage Loan under the terms of the Mortgage Note have been made and credited and no Mortgage Loan was more than [30 days past due in the preceding 12 months][30 days past due since the origination date], and any such delinquency did not exceed one payment. All delinquency figures are calculated and reported using the Mortgage Bankers' Association methodology.
- (kk) Ability to Repay; Qualified Mortgage. If an application for the Mortgage Loan was taken on or after January 10, 2014, such Mortgage Loan complied with the "ability to repay" standards as set forth in Section 129C(a) of the federal Truth-in-Lending Act, 15 U.S.C. 1639c(a). Each Mortgage Loan (i) is a "qualified mortgage" as defined in Regulation Z, 12 C.F.R. Part 1026.43(e) and (ii) complies with the ability to repay standards set forth in Regulation Z, 12 C.F.R. Part 1026.43(c). With respect to each Mortgage Loan, all necessary evidence to demonstrate compliance with 12 C.F.R. Part 1026.43(e), for qualified mortgages, and 12 C.F.R. Part 1026.43(c), as applicable, is included in the Credit File.
- (ll) No High Cost Loan. The Mortgage Loan is not a "high cost" loan, "covered" loan, "threshold" loan or "predatory" loan under any applicable state, federal, or local law at the time of the origination of the Mortgage Loan. At the time of origination, no Mortgage Loan was subject to any federal, state or local law or regulation and has characteristics which would result in a percentage being listed for such Mortgage Loan under the Indicative Loss Severity Column as reflected in the then-current version of S&P's Anti-Predatory Lending Law Update Table (included as Appendix E of the U.S. Residential Mortgage Input File Format, Glossary, And Appendices To The Glossary For LEVELS).
- (mm) No Bankruptcy. Except as otherwise disclosed on the ASF Data Tape, no Mortgagor was a debtor in any state or federal bankruptcy or insolvency proceeding [at the time the Mortgage Loan was originated and following the date of origination][within four years of the date of origination] of the Mortgage Loan and as of the Closing Date, no Mortgagor with respect to the Mortgage Loan was a debtor in any state or federal bankruptcy or insolvency proceeding involving a discharged action, within two years of the Mortgage Loan origination date, and the Mortgaged Property has not been subject to any bankruptcy or foreclosure proceedings. Unless otherwise indicated on the ASF Data File, any Mortgagor prior bankruptcy was taken into consideration in accordance with the Originator's guidelines. Unless otherwise indicated on the ASF Data File, no Mortgagor previously owned a property in the last seven years, or three years where allowable per the related Originator's guidelines, that was the subject of a foreclosure or which title to the real property was conveyed to the originator or a deed in lieu of foreclosure during the time the Mortgagor was the owner of record.
- (nn) Servicing and Collection Practices; Escrow Deposits. The servicing and collection practices used with respect to each Mortgage Loan have been in accordance with Accepted Servicing Practices and all Applicable Law. With respect to escrow deposits and Escrow Payments, all such payments are in the possession of, or under the control of the Originator and there exist no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made. All Escrow Payments have been collected in full compliance with state and federal law. No escrow deposits or Escrow Payments or other charges or payments have been capitalized under the Mortgage Note.
- (oo) Higher Cost Credit Products. No Mortgagor was encouraged or required to select a loan product offered by the Originator that was a higher cost product designed for less creditworthy Mortgagors, unless at the time of the Mortgage Loan's origination, such Mortgagor did not qualify, taking into account credit history and debt-to-income ratios, for a lower cost credit product then offered by the Originator or an affiliate of the Originator. If, at the time of loan application, the Mortgagor may have qualified for a lower cost credit product then offered by the Originator or any mortgage lending affiliate of the Originator, the Originator referred the Mortgagor's application to such affiliate for underwriting consideration.
- (pp) Data Tape. In addition to its conformity with the Mortgage File, the information contained under each of the headings in the data tape delivered by the Originator to the Mortgage Loan Seller identified on Annex I to the related Assignment Agreement is accurate

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and factually correct in all material respects.

- (qq) No Additional Collateral. The Mortgage Note is not and has not been secured by any collateral, pledged account or other security except the lien of the corresponding Mortgage.
- (rr) Mortgage Recorded/ Transfer of Mortgage Loans. Each original Mortgage was recorded and the Assignment of Mortgage is in recordable form and is acceptable for recording under the laws of the jurisdiction in which the Mortgaged Property is located. With respect to each MERS Designated Mortgage Loan, the related assignment of mortgage to MERS has been, or is in the process of being, duly and properly recorded.
- (ss) MERS Loans. With respect to each MERS Designated Mortgage Loan, the Originator has not received any notice of liens or legal actions with respect to such Mortgage Loan and no such notices have been electronically posted by MERS. With respect to each MERS Mortgage Loan, (i) a MIN has been assigned by MERS and such MIN is accurately provided on the Mortgage Loan Schedule, (ii) except with respect to any Mortgage Loan that is a MOM Loan at origination, the related Assignment of Mortgage to MERS has been duly and properly recorded, or has been delivered for recording to the applicable recording office. As to Mortgage Loans that are not MERS Mortgage Loans, the Assignment of Mortgage to reflect the transfer of the related Mortgage to the Depositor's assignee is in recordable form and is acceptable for recording under the laws of the jurisdiction in which the Mortgaged Property is located.
- (tt) Due-On-Sale. The Mortgage contains an enforceable provision, to the extent not prohibited by applicable law as of the date of such Mortgage, for the acceleration of the payment of the unpaid principal balance of the Mortgage Loan in the event that the Mortgaged Property or the Cooperative Shares are sold or transferred without the prior written consent of the Mortgagee thereunder.
- (uu) Deeds of Trust. In the event the Mortgage constitutes a deed of trust, a trustee, duly qualified under Applicable Law to serve as such, has been properly designated and currently so serves and is named in the Mortgage, and no fees or expenses are or will become payable by the Mortgagee, the Sponsor, the Issuer or the Depositor to the trustee under the deed of trust, except in connection with a trustee's sale after default.
- (vv) Adjustable Rate Mortgage Terms. All of the terms of the related Mortgage Note pertaining to mortgage interest rate adjustments, payment adjustments and adjustments of the outstanding principal balance, if any, are enforceable and such adjustments will not affect the priority of the lien of the related Mortgage. All such adjustments on such Mortgage Loan have been made properly in accordance with the provisions of such Mortgage Loan, including any required notices.
- (ww) Consolidation of Future Advances. Any future advances made prior to the cut-off date have been consolidated with the outstanding principal amount secured by the mortgage, and the secured principal amount, as consolidated, bears a single interest rate and single repayment term reflected on the mortgage loan schedule. Unless otherwise specified in the related Mortgage Loan Schedule, the Due Date for the Mortgage Loan is the first day of each calendar month. Interest on such Mortgage Loan is calculated on the basis of a 360-day year consisting of twelve 30-day months
- (xx) Tax Service Contracts; Flood Certification Contract. The Mortgage Loan is covered by a paid in full, life of loan, tax service contract and a paid in full, life of loan, flood certification contract (where applicable) and each of these contracts is fully assignable to the Mortgage Loan Seller and its assigns.
- (yy) Single Premium Credit Life Insurance. No Mortgagor was required to purchase any single premium credit insurance policy (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreement as a condition of obtaining the extension of credit. No Mortgagor obtained a prepaid single premium credit insurance policy (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreement in connection with the origination of the Mortgage Loan. No proceeds from any Mortgage Loan were used to purchase single premium credit insurance policies (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreements as part of the origination of, or as a condition to closing, such Mortgage Loan.
- (zz) TILA Qualified Mortgage. If the Mortgage Loan is identified as "Qualified Mortgage-Safe Harbor" on the Mortgage Loan Schedule, such Mortgage Loan (i) is a "qualified mortgage" within the meaning of Section 1026.43(e)(2) of 12 C.F.R. Part 1026 ("Regulation Z") without reference to Section 1026.43(e)(4), (5), (6) or (f) of Regulation Z, (ii) complies with the total points and fees limitations for a qualified mortgage set forth in Section 1026.43(e)(3) of Regulation Z (including the inflation adjustments provided for in Section 1026.43(e)(3)(ii) of Regulation Z), (iii) is not a "higher-priced covered transaction" within the meaning of Section 1026.43(b)(4) of Regulation Z, (iv) only includes a prepayment penalty permitted by Section 1026.43(g) of Regulation Z, (v) does not provide for a balloon payment and (vi) qualifies for the safe harbor set forth in Section 1026.43(e)(1)(i) of Regulation Z.
- (aaa) TILA Agency Rebuttable Presumption Qualified Mortgage. If the Mortgage Loan is identified as "Qualified Mortgage-Agency Rebuttable Presumption" on the Mortgage Loan Schedule, such Mortgage Loan (i) is a "qualified mortgage" within the meaning of Section 1026.43(e)(4) of 12 C.F.R. Part 1026 ("Regulation Z"), (ii) only includes a prepayment penalty permitted by Section 1026.43(g) of Regulation Z and (iii) qualifies for the presumption of compliance set forth in Section 1026.43(e)(1)(ii) of Regulation Z.
- (bbb) TILA Higher Priced Qualified Mortgage. If the Mortgage Loan is identified as "Qualified Mortgage-Rebuttable Presumption" on the Mortgage Loan Schedule, such Mortgage Loan (i) is a "qualified mortgage" within the meaning of Section 1026.43(e)(2) of Regulation Z without reference to Section 1026.43(e)(4), (5), (6) or (f) of Regulation Z, (ii) complies with the total points and fees limitations for a qualified mortgage set forth in Section 1026.43(e)(3) of Regulation Z (including the inflation adjustments provided for in Section 1026.43(e)(3)(ii) of Regulation Z), (iii) is a "higher-priced covered transaction" within the meaning of Section 1026.43(b)(4) of Regulation Z, (iv) does not provide for a balloon payment and (v) qualifies for the presumption of compliance set forth in Section 1026.43(e)(1)(ii) of Regulation Z.
- (ccc) Servicemembers Civil Relief Act. The Mortgagor has not notified the Originator, and the Originator has no knowledge of any relief requested by or allowed to the Mortgagor under the Servicemembers Civil Relief Act or any similar state law or local laws.
- (ddd) Co-op Loans. With respect to each Co-op Loan: (i) the related Mortgage is a valid, enforceable and subsisting first priority security interest on the related Cooperative Shares securing the related cooperative note, subject only to (a) liens of the Cooperative for unpaid assessments representing the Mortgagor's pro rata share of the Cooperative's payments for its blanket mortgage, current and future real property taxes, insurance premiums, maintenance fees and other assessments to which like collateral is commonly subject and (b) other matters to which like collateral is commonly subject which do not materially interfere with the benefits of the security intended to be provided by the Security Agreement. There are no liens against or security interest in the Cooperative Shares relating to each Co-op Loan (except for unpaid maintenance, assessments and other amounts owed to the related cooperative which individually or in the aggregate will not have a material adverse effect on such Co-op Loan), which have

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priority over the Originator's security interest in such Cooperative Shares; (ii) a search for filings of financing statements has been made by a company competent to make the same, which company is acceptable to Fannie Mae and qualified to do business in the jurisdiction where the cooperative unit is located, and such search has not found anything which would materially and adversely affect the Co-op Loan; (iii) the related cooperative that owns title to the related Cooperative apartment building is a "cooperative housing corporation" within the meaning of Section 216 of the Code, and is in material compliance with applicable federal, state and local laws which, if not complied with, could have a material adverse effect on the Mortgaged Property; (iv) there is no prohibition against pledging the shares of the Cooperative or assigning the Co-op Lease.

(eee) No Ground Leases. No Mortgaged Property is subject to a ground lease.

(fff) LTV. Using the appraised value, and taking into account only the value of the land and permanent structures on the land (but not the value of any personal property or any actual or potential business use of the land and structures), the loan-to-value ratio of the mortgage loan on the closing date was no greater than 125%.

(ggg) Interest Only. No Mortgage Loan is an Interest Only Mortgage Loan.

(hhh) No Convertible Mortgage Loans. No Mortgage Loan is a Convertible Mortgage Loan.

(iii) Loan Officer Compensation. For each Mortgage Loan that has an application date on or after January 1, 2014, the Originator confirmed that the loan complies with all applicable federal Loan Originator Compensation Rule provisions, including but not limited to, 12 CFR §1026.36(d) and (f).

(jjj) Anti-Money Laundering. The Sponsor has complied with all applicable anti-money laundering laws and regulations, including without limitation the USA Patriot Act of 2001 (collectively, the "Anti-Money Laundering Laws"); to the extent required by law, the Sponsor has established an anti-money laundering compliance program as required by the Anti-Money Laundering Laws, has conducted the requisite due diligence in connection with the origination of each Mortgage Loan for purposes of the applicable Anti-Money Laundering Laws, including with respect to the legitimacy of the applicable Mortgagor and the origin of the assets used by said Mortgagor to purchase the property in question, and will maintain, sufficient information to identify the applicable Mortgagor for purposes of the Anti-Money Laundering Laws. No Mortgage Loan is subject to nullification pursuant to Executive Order 13224 (the "Executive Order") or the regulations promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury (the "OFAC Regulations") or in violation of the Executive Order or the OFAC Regulations, and no Mortgagor is subject to the provisions of such Executive Order or the OFAC Regulations nor listed as a "blocked person" for purposes of the OFAC Regulations.

(kkk) Qualified Residential Mortgages. Each Mortgage Loan is a "Qualified Residential Mortgage" as defined in the credit risk retention rule.

(lll) Interest in Real Property. The mortgage note is "principally secured by an interest in real property" within the meaning of Section 860G(a)(3)(A) of the Code.

II. ENFORCEMENT MECHANISMS

- A. Repurchase Obligation.** Upon discovery by the Depositor or the Originator of the breach by the Originator Mortgage Loan Seller or Depositor of any representation or warranty under the Mortgage Loan Purchase and Sale Agreement, in respect of any Mortgage Loan, which materially adversely affects the value of that Mortgage Loan or the interest therein of the Certificateholders (a "Defective Mortgage Loan") (each of such parties hereby agreeing to give written notice thereof to the Trustee and the other of such parties), the Trustee, or its designee, shall promptly notify the breaching party in writing of such breach and request that the breaching party cure or cause the cure of such breach within 60 days from the earlier of the date that the breaching party discovered or was notified of such breach and if the breaching party does not cure or cause the cure of such breach in all material respects during such period, the Trustee shall enforce the breaching party's obligation under the Mortgage Loan Purchase and Sale Agreement to repurchase at the Repurchase Price or substitute that Mortgage Loan from the Trust Estate or, other than with respect to a breach of the representation and warranty as to good, valid and marketable title, make an indemnification payment with respect to such Mortgage Loan on or prior to the Determination Date following the expiration of such 60-day period; provided, however, that, in connection with any such breach that could not reasonably have been cured within such 60-day period, the breaching party shall be required to repurchase or substitute or make an indemnification payment with respect to the Mortgage Loan no later than 90 days after discovery or notice of such breach, and provided, further, that, if such breach would cause the Mortgage Loan to be other than a "qualified mortgage" (as defined in the Code), then notwithstanding the previous provisions of this paragraph, the breaching party shall be required to repurchase or substitute the Defective Mortgage Loan [within 45 days from the date the defect was discovered][within 90 days of a determination by a court of competent jurisdiction that the Mortgage Loan does not satisfy the requirements of a "qualified mortgage"] and the breaching party shall not have the option to make an indemnification payment with respect to such Mortgage Loan. Each determination as to whether there has been such a breach shall be conducted on a Mortgage Loan-by-Mortgage Loan basis. The Repurchase Price for the repurchased Mortgage Loan shall be deposited in the Distribution Account, and the Trustee, or its designee, upon receipt of written certification of such deposit, shall release to the breaching party the related Mortgage File and shall execute and deliver (or cause the execution and delivery of) such instruments of transfer or assignment, in each case without recourse, representation or warranties, as either party shall furnish to the Trustee and as shall be necessary to vest in such party any Mortgage Loan released pursuant hereto and the Trustee, or its designee, shall have no further responsibility with regard to such Mortgage File (it being understood that the Trustee shall have no responsibility for determining the sufficiency of such assignment for its intended purpose). It is understood and agreed that the obligation of the breaching party to cure, to cause the cure of or to repurchase or substitute or make an indemnification payment with respect to any Mortgage Loan as to which such a breach has occurred and is continuing shall constitute the sole remedy against such party respecting such omission, defect or breach available to the Trustee on behalf of the Certificateholders.
- B. Missing Documents.** Upon receipt of actual knowledge or written notice by the Depositor, the Mortgage Loan Seller, the Master Servicer, the Securities Administrator, the Issuer or Trustee, or receipt of written notice (each of the Depositor, the Mortgage Loan Seller, the Master Servicer, the Securities Administrator and the Issuer hereby agreeing to give written notice thereof to such other parties), of any materially defective document in, or, following the date of delivery to the Securities Administrator, the Issuer and the Depositor of the Custodian Certification required under Section [] hereof, that a document is missing from the Mortgage Documents for a Mortgage Loan, the Securities Administrator shall promptly request that the Originator deliver such missing document or cure or cause the cure of such defect within [120][180] days from the earlier of its discovery or its receipt of notice. If the Originator has not delivered such missing document or cured such defect during such period, the Securities Administrator shall promptly notify the Issuer and the Certificateholders of such failure. In such event, upon receipt of written instruction and satisfactory indemnity from Certificateholders having more than 25% of the Aggregate Voting Interests, the Issuer or the Trustee, shall enforce the obligations of the party under the Mortgage Loan Purchase and Servicing Agreement to repurchase that Mortgage Loan from the Issuer at the Purchase Price on or prior to the Determination Date following the expiration of such specified period. None of the Issuer or the Securities

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Administrator shall be responsible for determining whether such defect or the fact that a document is missing has or may have a material adverse effect on the value of, or the interest of the Certificateholders in, any Mortgage Loan.

- C. **Action to Compel Cure of Breach of Representations.** The Trustee shall be obligated to enforce the obligation of a Representing Party in respect of (x) a missing or defective Mortgage Document or (y) any alleged breach of a representation and warranty of such Representing Party set forth in the related Purchase Agreement (including any representation or warranty in respect of a missing or defective Mortgage Document) or of the Originator or Mortgage Loan Seller under the Mortgage Loan Purchase and Sale Agreement if the Originator or Mortgage Loan Seller has an obligation to cure a breach, repurchase or substitute for or make an indemnification payment, if applicable, with respect to a Mortgage Loan under the Mortgage Loan Purchase and Sale Agreement, upon its receipt of (1) (A) written direction to do so by the Holders of more than 50% of the Aggregate Voting Interests of the Senior Certificates, for so long as there is a Controlling Holder under this Agreement, or (B) written direction to do so by the Holders of more than [50%][25%] of the Aggregate Voting Interests of the Certificates, if there is no Controlling Holder under this Agreement, and (2) an agreement by Holders directing the Trustee to take such action to provide in advance to the Trustee funds to pay for any fees, costs and expenses incurred by the Trustee, and to provide any indemnification reasonably requested by the Trustee. The Trustee shall provide notice to the Controlling Holder prior to taking any such action. However, Certificateholders shall not have the right to require the Trustee to pursue any action with respect to any Mortgage Loan as to which a final and binding decision by an arbitrator has already been issued, regardless of the particular claims made.
- D. **Third Party Review.** The Securities Administrator (to the extent it has the necessary contact information) shall promptly notify the Controlling Holder (if any) and the Trustee of each Mortgage Loan that becomes Delinquent for more than 120 days. The Controlling Holder (at its expense) or, if there is no longer a Controlling Holder, the Trustee (at the expense of the Trust), subject to the limitation in clause (B) of the definition of Available Distribution Amount), shall engage an independent third party to review each Mortgage Loan that has been Delinquent for more than 120 days, other than any such Mortgage Loan that was the subject of a previous arbitration proceeding under the related Purchase Agreement or under the Mortgage Loan Purchase and Sale Agreement, to review whether any breaches of the representations and warranties [made by a Representing Party under the related Purchase Agreement have occurred or if the Originator or Mortgage Loan Seller has an obligation to cure a breach, repurchase or substitute for or make an indemnification payment with respect to a Mortgage Loan under the Mortgage Loan Purchase and Sale Agreement. If the Controlling Holder does not notify the Securities Administrator of its engagement of any such independent third party to review any Mortgage Loan within 30 days of such Mortgage Loan becoming delinquent for more than 120 days, the Securities Administrator shall promptly notify the Trustee of the Controlling Holder's failure to engage such an independent third party reviewer. In such a case, the Trustee shall then engage an independent third party reviewer upon its receipt of any such notice from the Securities Administrator. Such independent third party shall be a recognized third party with experience performing due diligence on residential mortgage loans and shall not be the same party that performed the pre-offering review of the Mortgage Loans. With respect to each Mortgage Loan, the Depositor shall make available to the Trustee and such independent third party reviewer, upon request, an electronic version of each related loan file in connection with such review. Any such review shall include, at a minimum, a review as to whether the Mortgage Loan was underwritten in accordance with the Representing Party's underwriting standards (or in the case of certain identified Mortgage Loans, the underwriting standards of the mortgage lending institution from which the Representing Party purchased the Mortgage Loan, as set forth in the applicable Purchase Agreement) in effect at the time of origination, whether the Mortgage Loan was originated in accordance with all applicable laws and regulations, and whether any fraud may have occurred in connection with the origination of the Mortgage Loan. The third party shall report its findings and provide an attestation that its review and report have not been influenced or affected by interested parties. If, as a result of such review, there is evidence that a breach of a representation or warranty may have occurred requiring a Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) to cure such breach, repurchase or substitute for or make an indemnification payment with respect to the related Mortgage Loan [within ninety (90) days], then the Controlling Holder or the Trustee, as applicable, will enforce such obligations, including mandatory participation in an arbitration proceeding pursuant to the related Purchase Agreement or the Mortgage Loan Purchase and Sale Agreement, as applicable, if necessary. If the Controlling Holder is the same entity as or an Affiliate of the party against which an enforcement action is to be taken, then the Trustee will enforce the remedy obligation of such party. If the Trustee is obligated to enforce the obligation of a Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) in respect of breaches of representations or warranties at the direction of Certificateholders, upon receipt of written notice of a breach, based on the findings of a third party reviewer or otherwise, the Trustee will first (i) demand that the applicable Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) cure such breach, or repurchase, substitute for or make an indemnification payment with respect to the related Mortgage Loan, and (ii) notify the Certificateholders of the Trustee's submission of such demand. If the applicable Representing Party or the Originator or Mortgage Loan Seller, as applicable, responds to the demand within 60 days of the date of the demand, the Trustee will negotiate with such party so long as such party is pursuing negotiations in good faith. If the applicable Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) fails to satisfy its cure, repurchase or substitution obligations, or if the applicable Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) does not respond to the Trustee within 60 days of its receipt of the Trustee's demand notice or if the applicable Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) has responded in good faith and the demand is not resolved within 180 days of such initial date of receipt, then the Trustee will not be required to pursue further enforcement action (including commencing arbitration proceedings) in connection with such demand unless it has received (i) (a) written direction to do so by the Holders of more than 50% of the Aggregate Voting Interests of the Senior Certificates, if there is a Controlling Holder under this Agreement or (b) written direction to do so by the Holders of more than 50% of the Aggregate Voting Interests of the Certificates, if there is no longer a Controlling Holder under this Agreement and (ii) an agreement by Holders directing the Trustee to take such action to provide in advance to the Trustee funds to pay for any fees, costs and expenses incurred by the Trustee in pursuing such further action, and provide any indemnification reasonably requested by the Trustee. In connection with any such action against a Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller), the Trustee shall pursue reimbursement for its fees, costs and expenses from such Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) under the terms of the related Purchase Agreement or from the Originator or Mortgage Loan Seller under the terms of the Mortgage Loan Purchase and Sale Agreement, as applicable, if directed to do so by the Certificateholders that provided such funds to the Trustee as described above. If the Trustee recovers any such fees, costs and expenses, it will be obligated to pay these amounts to such Certificateholders, to reimburse such Certificateholders up to any amounts previously paid by such Certificateholders. To the extent not reimbursed by the applicable Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) or the applicable Certificateholders, the Trustee shall be reimbursed from the Trust Estate, subject to the limitation in the definition of Available Distribution Amount.

If, as a result of a review of a Mortgage Loan conducted, the Controlling Holder or the Trustee, as applicable, concludes that a breach of a representation or warranty that would require a Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) to cure, repurchase or substitute for or make an indemnification payment with respect to the related Mortgage Loan has not occurred, then such party shall notify the Securities Administrator in writing and the Certificateholders shall be notified by the Securities Administrator of this decision and provided details of the review pursuant to a Distribution Date Statement; *provided* that the Securities Administrator shall only be required to include such notification and any related details on any Distribution Date Statement to the extent it has received the same and shall have no obligation to review or redact any such information so received by it. Holders of more than 50% of the Aggregate Voting Interests of the Certificates may direct the Trustee to enforce a remedy obligation despite such a determination by either the Controlling Holder or the Trustee if, within thirty days of notification of the Certificateholders, (i) the Trustee receives written direction to do so by the Holders of more than 50% of the Aggregate Voting Interests of the Certificates and (ii) the Holders directing the Trustee to enforce the remedy obligation agree to provide in advance to the Trustee funds to pay for any costs and expenses incurred by the Trustee and to provide any indemnification reasonably requested by the Trustee. In connection with any such action directed by Certificateholders, if the Trustee recovers any fees, costs and expenses from such Representing Party (or, in certain cases, the Originator or Mortgage Loan Seller) under the terms of the related Purchase Agreement or from the Originator or Mortgage Loan Seller under the Mortgage Loan Purchase and Sale Agreement, as applicable, it will reimburse such amounts to the applicable Certificateholders to the extent that the Certificateholders have already paid such amounts to the Trustee.

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- E. **Arbitration.** If an allegation of a breach of a representation or warranty is not resolved to the satisfaction of the party pursuing an action or the applicable Representing Party (or, in certain cases, the Originator), the parties will be required to resolve such dispute by submitting to an arbitration process pursuant to the terms of the related Purchase Agreement or the Mortgage Loan Purchase and Sale Agreement, as applicable. Arbitration will be conducted in accordance with the rules of the American Arbitration Association. Each party to the arbitration will bear its own costs of arbitration, except that the cost of the arbitrator will be shared equally. The finding of the arbitrator shall be final and binding upon all parties, including the Certificateholders and the Trustee.
- F. **Limitation on Rights of Holders.** No Certificateholder, solely by virtue of its status as Certificateholder, shall have any right by virtue of or by availing itself of any provision of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless, except as otherwise specified herein, the Holders of Certificates evidencing not less than [25% of the Class Principal Amount or Class Notional Amount (or Percentage Interest) of Certificates of each Class] [50% of the Aggregate Voting Interests] affected thereby shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the cost, expenses and liabilities to be incurred therein or thereby, and the Trustee, for [sixty] [thirty] days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request has been given such Trustee during such [sixty] [thirty]-day period by Certificateholders [evidencing not less than 25% of the Class Principal Amount or Class Notional Amount (or Percentage Interest) of Certificates of each Class affected thereby] [having more than 50% of the Aggregate Voting Interests]; it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder, the Securities Administrator and the Trustee, that no one or more Holders of Certificates shall have any right in any manner whatever by virtue of or by availing itself of any provision of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of such Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Agreement, except in the manner herein provided and for the benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

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Report Number: [Not Set]

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