

**BULLETIN**  
**DESKTOP ORIGINATOR SCHEDULE**

This Bulletin is issued in accordance with the section of the Fannie Mae Software Subscription Agreement (the “Agreement”) entitled “Issued Bulletins; Amendments,” and amends and restates the existing Desktop Originator Schedule (the “Old DO Schedule”) as set forth in the attached new Desktop Originator Schedule (the “New DO Schedule”).

The New DO Schedule includes additional and revised definitions and provisions that bear on the new DU Validation Service, as well as numerous changes in text and format to existing provisions to achieve brevity, currency and clarity. Among other things, the New DO Schedule addresses and/or provides for:

Section 1     Licensed Application. The DU Validation Service was added as a functionality of DO.

Section 2     Definitions.

“Consumer Credit Data” was revised to “Consumer Data” and now includes verifications of income. Verifications of assets and employment continue to be included in the definition.

“Consumer Report” is now a defined term.

“Credit Retrieval Module” was revised to distinguish it from the DU Validation Service.

“DU Validation” and “DU Validation Service” were added as a result of the addition of the DU Validation Service.

“Third Party Data Source” was added as a result of the addition of the DU Validation Service.

“Verification Report” was added as a result of the addition of the DU Validation Service.

Section 5     Relationship with Third Party Data Sources. Revisions were made in order to apply the provision to all Third Party Data Sources (e.g., credit reporting agencies and other data providers) engaged with functionalities of DO that obtain Consumer Data. Additional terms pertaining to Licensee’s relationships with Third Party Data Sources

that are general in applicability, as well as some that are specific to the DU Validation Service, were added.

- Section 6 Limited Agency Relationship. Minor revisions were made in order to apply the provision to all functionalities of DO that obtain Consumer Data (including the Credit Retrieval Module and the DU Validation Service) and all Third Party Data Sources (e.g., credit reporting agencies and other data providers) engaged with those functionalities.
- Section 7 Recordkeeping. Redundancies with the section of the Master Terms entitled “Recordkeeping” were eliminated.
- Section 8 Federal Law Compliance Warranties. Redundancies with provisions in the section of the Old DO Schedule entitled “Relationship with Third Party Data Sources” were eliminated.
- Section 15 Bulletins. Fannie Mae will email Bulletins amending the Agreement to DO users in addition to posting them on Fannie Mae’s DO webpage(s). Nonetheless, Licensee is advised that monitoring Fannie Mae’s DO webpage(s) may be necessary for timely notice of Bulletins.

All of the terms and conditions of the Agreement shall continue in full force and effect. Capitalized terms used in this Bulletin but not defined herein shall have the meaning ascribed to them in the New DO Schedule and the Agreement. In the event of any inconsistency between or among the provisions contained in the Agreement (including the New DO Schedule) and this Bulletin, the provisions of the Agreement shall govern.

## **DESKTOP ORIGINATOR Schedule**

### Terms and Conditions

1. **Licensed Application.** Fannie Mae's application software product known as Desktop Originator® or DO® (the "Licensed Application") is licensed pursuant to this Schedule and the Master Terms and Conditions between Fannie Mae and Licensee (the "Master Terms"), into which this Schedule is incorporated. As of the effective date of this Schedule, the Licensed Application is designed to: (a) facilitate the communication and exchange of certain data between Licensee and each Sponsoring Lender and between Licensee and consumer reporting agencies accessible through the Credit Retrieval Module, and (b) validate certain loan application data where Licensee has been given access to the DU Validation Service.

2. **Definitions.** The following definitions are used in this Schedule as defined below:

"**Agreement**" shall mean the Master Terms together with the terms and conditions of this Schedule and any applicable Rate Sheet(s).

"**Consumer Data**" shall mean any information, including but not limited to consumer credit data, which bears on a consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living and which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in performing any authorized analysis. Such data may include, but are not limited to, data contained in: (i) residential mortgage credit reports, "in-file" credit reports, or "consumer reports," as defined in the FCRA; (ii) verifications of income, employment or assets or other forms of alternate documentation as discussed in Fannie Mae's Selling Guide; (iii) the Uniform Residential Loan Application, including any attachments and/or supplements thereto; and (iv) any correspondence or communication from the consumer or any third party, which includes information relating to any of the above factors.

"**Consumer Report**" shall mean a "consumer report" issued by a "consumer reporting agency," as those terms are defined by the FCRA.

"**Credit Retrieval Module**" shall mean that component of the Licensed Application which facilitates the retrieval of a Consumer Report from a consumer reporting agency by communicating and exchanging data between Licensee and the consumer reporting agency.

"**DU Validation**" shall mean a validation of a Customer's Consumer Data, as submitted to the Licensed Application by Licensee, against corresponding Consumer Data received by Fannie Mae from a Third Party Data Source through the DU Validation Service.

"**DU Validation Service**" shall mean that component of the Licensed Application that performs DU Validations.

"**ECOA**" shall mean the federal Equal Credit Opportunity Act, codified at 15 U.S.C. 1691 et seq., and its implementing regulation, Regulation B, codified at 12 C.F.R. Part 202.

"**FCRA**" shall mean the federal Fair Credit Reporting Act, codified at 15 U.S.C. 1681 et seq.

"**Help Screen**" shall refer to that function within the Licensed Application that, among other things, provides a reference to the capabilities and features of, and the glossary of terms used in, the Licensed Application.

**"Nonpublic Personal Information"** shall mean personally identifiable information about a consumer that the party handling the information knows or reasonably should know has not been made available to the general public.

**"RESPA"** shall mean the federal Real Estate Settlement Procedures Act, codified at 12 U.S.C. 2601 et seq., and its implementing regulation, Regulation X.

**"Sponsoring Lender"** shall mean any third-party financial institution (i) which selects Licensee to offer its mortgage loan products and to communicate with such institution by means of the Licensed Application, which communication includes the submission and receipt of mortgage loan product information and Licensee's submission to Sponsoring Lender of residential mortgage loan applications and consumer reports obtained via the Credit Retrieval Module, and (ii) with which Licensee maintains an independent contractual relationship.

**"Third Party Data Source"** shall mean a Third Party Licensor: (i) from whom Licensee orders Consumer Reports through the Credit Retrieval Module which are then transmitted through a Third-Party Application or (ii) who is designated in the Fannie Mae Selling Guide as participating in the DU Validation Service and whom Licensee commissions to transmit Verification Reports to the DU Validation Service by a Third-Party Application.

**"Truth-in-Lending Act"** shall mean that federal law, codified at 15 U.S.C. 1601 et seq., which mandates certain disclosures in residential mortgage loan transactions, and its implementing regulation, Regulation Z, and the Official Staff Commentary to Regulation Z, as applicable.

**"Verification Report"** shall mean a report containing Consumer Data or a set of Consumer Data transmitted by a Third Party Data Source to the DU Validation Service (also referred to in the Selling Guide as an electronic "vendor report").

3. **Marks.** Licensee acknowledges that Fannie Mae's Marks include Desktop Originator and DO.

4. **Registration; End-Users and Sponsoring Lenders.** Prior to using the Licensed Application, Licensee shall register with Fannie Mae and identify at least one Sponsoring Lender. Fannie Mae will issue a user identification number to each end-user, which user identification number may be changed from time to time pursuant to Fannie Mae's standard policies and procedures with respect thereto. Licensee shall make its end-users aware of and cause each end-user to comply with the terms of this Agreement and Schedule as they pertain to end-users' use of the Licensed Application. Licensee acknowledges and agrees that no end-user shall have access to the Licensed Materials prior to Fannie Mae's receipt of such information and the issuance of a user-identification number.

5. **Relationship with Third Party Data Sources.**

(i) **Credit Retrieval Module.** Licensee represents and warrants that it shall, concurrently with this Schedule, maintain a separate agreement with each Third Party Data Source that is accessible to it via the Licensed Application and from which it orders Consumer Reports through the Credit Retrieval Module. Such agreement(s) shall govern Licensee's use of any and all Consumer Reports obtained electronically through the use of the Credit Retrieval Module.

(ii) **DU Validation Service.** Licensee represents and warrants that it shall, concurrently with this Schedule, maintain a separate agreement with each Third Party Data Source it commissions to transmit Verification Reports to the Licensed Application through the DU Validation Service. Such agreement(s) shall provide for all rights and authorizations necessary to enable Verification Reports to be provided to and used by Fannie Mae in performing DU Validations.

(iii) In no event will Fannie Mae be responsible for any aspect of Licensee's relationship with any Third Party Data Source, including any fees or charges related to Licensee's use of its services or Fannie Mae's access to or use of Consumer Reports or Verification Reports.

(iv) Licensee hereby certifies, represents and warrants that any request for and/or use of "consumer reports," as defined in the FCRA through the Licensed Application shall be strictly for "permissible purposes," as defined in Section 604 of the FCRA, and for no other purpose and shall in all other respects comply with the requirements of the FCRA.

**6. Limited Agency Relationship.** Notwithstanding the Section of the Master Terms captioned "Independent Parties," Licensee hereby expressly acknowledges, understands and agrees that, in obtaining Consumer Reports via the Licensed Application and in the processing and evaluation of Consumer Data from Consumer Reports by the Licensed Application for the purpose of performing any authorized analysis, Fannie Mae, as owner of the Licensed Application, (i) shall be the agent of Licensee, as that term is defined in the FCRA, and (ii) in its role as limited agent, may obtain Consumer Data for the purpose of performing such analyses and may disclose or require Licensee to disclose (through reasonable, prescribed means) to consumer reporting agencies any secondary use of such Consumer Data facilitated by Licensee's use of the Licensed Application (including information relating to the identity of any secondary user). Licensee expressly acknowledges, understands and agrees that Fannie Mae's role as Licensee's agent shall not extend beyond the limited purpose set forth in this Section and, for all other purposes, there shall be no such principal and agent relationship. Moreover, Licensee shall in no way misrepresent to third parties the limited extent of this principal/agent relationship.

**7. Recordkeeping.** In addition to the provisions of the Section of the Master Terms captioned "Recordkeeping," the following shall apply:

Licensee understands and agrees that its access to data from the Licensed Application shall terminate upon its electronic submission of such data to the Sponsoring Lender. Under such and certain other circumstances, Licensee may need to print out hard copies of the consumer reports and uniform residential loan applications prior to submitting the related loan casefiles to a Sponsoring Lender. In no event will Fannie Mae be responsible for maintaining any such data for Licensee or to provide Licensee with any such data at any time, either in electronic or hard-copy format.

**8. Federal Law Compliance Warranties.** Without limiting the generality of the Section of the Master Terms captioned "Compliance With Law," Licensee hereby represents and warrants that:

(i) It is Licensee's sole responsibility to, and Licensee shall, determine whether each cost relating to the origination of each residential mortgage loan is a "finance charge," as that term is defined by the Truth-in-Lending Act.

(ii) Licensee shall not rely on any definitions provided in the Help Screens as being dispositive of the meaning of such terms, and shall seek its own legal counsel to determine the appropriate meaning of such terms, in light of Licensee's operations, for purposes of the Truth-in-Lending Act.

(iii) To the extent that Licensee elects to charge a CLO-related access fee (as "CLO" is defined by RESPA or a RESPA-related Policy Statement) to a loan applicant in connection with the Licensee's use of the Licensed Application in addition to any broker or origination-related fees: (1) the CLO access fee shall not be duplicative and shall relate to the CLO-type services actually rendered by Licensee; and (2) any CLO disclosure required by RESPA shall be provided to the applicant in the form and manner prescribed by RESPA. Moreover, any such CLO access fee, any CLO access fee charged to the Sponsoring Lender, and the use of the Licensed Application for CLO-type services shall in all other respects comply with RESPA, including any amendments thereto.

**9. Information, Policies and Practices Warranties.** Licensee hereby represents and warrants that all information provided by it to Fannie Mae is complete and accurate, and that any forms containing such information are executed by personnel authorized to bind the Licensee. Licensee further represents and warrants that it has adopted policies, systems and procedures that ensure submission of accurate and reliable data to the Licensed Application and adherence in all other manner to sound loan origination practices and principles.

**10. Limited Contractual Compliance Warranty.** Licensee hereby represents and warrants that it shall abide by those terms and conditions of any contractual relationship to which it is a party with a Sponsoring Lender which bear on or are affected by Licensee's use of the Licensed Application. A breach of any such agreement between Licensee and a Sponsoring Lender, which breach arises from and is directly related to Licensee's use of the Licensed Application, shall result in a breach of the warranty set forth in this Section. Licensee acknowledges and agrees that, in the event that Sponsoring Lender advises Fannie Mae of its desire that Licensee no longer have access to Sponsoring Lender's products and other information via the Licensed Application, Licensee agrees that Fannie Mae shall be authorized to deny Licensee access to such Sponsoring Lender information via the Licensed Application. In the event that Fannie Mae, at its election and in its sole discretion, determines that Licensee's access to the Licensed Application may result in harm or potential harm to Fannie Mae or the market in general and/or its efforts to market the Licensed Application, Fannie Mae may, immediately and without notice, terminate Licensee's access to and use of the Licensed Application.

**11. Grant of Rights and Imposition of Obligations.** The rights granted in this Schedule do not entitle Licensee to use the Licensed Materials, or any technology or intellectual property contained within them, as reference or inspiration for developing or creating another product, tool or technology in any way based upon the Licensed Application. Licensee agrees that Licensee will not, by the terms of this Schedule, obtain any rights to any ideas or concepts embodied within the Licensed Materials which may be retained in intangible form by individuals who have had access to them.

**12. Indemnification.** The Section of the Master Terms captioned "Indemnification" shall be expanded to also provide indemnification in the event of any breach of Sections 4-10 of this Schedule.

**13. Termination for Convenience.** For purposes of this Schedule, the Section of the Master Terms captioned "Termination for Convenience" will be replaced with the following:

"Either party may terminate this Schedule hereto without cause upon thirty (30) days' prior written notice to the other."

**14. Termination for Cause.** In addition to the termination for cause events specified in the Section of the Master Terms captioned "Termination for Cause," Fannie Mae may terminate this Schedule immediately if Licensee is found by Fannie Mae to be in breach of its Information, Policies and Practices Warranties, as set forth in Section 9 of this Schedule, or its Limited Contractual Compliance Warranty, as set forth in Section 10 of this Schedule.

**15. Bulletins.** Licensee acknowledges that, contrary to the terms of the Section of the Master Terms captioned "Issued Bulletins; Amendments" regarding notification, bulletins directed to Licensee amending this Schedule or the Master Terms will not be issued to a Corporate Administrator of Licensee but will, instead, be posted to the applicable Fannie Mae webpage and emailed to Licensed Application users. Licensee understands that monitoring the Fannie Mae webpage applicable to the Licensed Application may be necessary to receive timely notice of a Bulletin amending this Schedule or the Master Terms.

**16. Survival.** Any provisions of this Schedule that contemplate their continuing effectiveness, including, without limitation, Sections 5, 7-12 and 16 shall survive any termination of this Schedule.