



BORROWER & BORROWER PRINCIPALS - FORBEARANCE

During these unprecedented times when so many borrowers may be experiencing challenges resulting in loans on their REO schedule entering into forbearance agreements, we would like to remind Optigo® lenders of our disclosure and process requirements with respect to forbearance. Our requirements apply to all loans involving a borrower principal in forbearances whether or not the loans are financed with Freddie Mac. Please keep in mind that the disclosure requirements are on-going during the loan underwriting process. If a loan involving a borrower principal enters into forbearance during the underwriting process, the borrower principal must inform the Optigo lender and the Form 1115 should be updated.

Form 1115 Disclosure

Please remember that any loans with Freddie Mac or any other lender that are currently in forbearance or have been in forbearance within the past 20 years must be disclosed in Sec. B. 2a of the 1115. If circumstances change during the processing of the Freddie Mac loan and the borrower has deals that go into forbearance, the borrower will need to update the 1115 with this information.

2. During the 20 years prior to the date of this Certificate:
 - a. Has Borrower been in default, involved in a foreclosure or been given relief by any lender, including Freddie Mac (i.e., by modification, workout, forbearance) under the terms of any mortgage loan, mezzanine loan, contract for deed or similar arrangement?
 Yes No (If Yes, complete Schedule A, Item 2a)

Exception 19

If the borrower is currently experiencing forbearance on any loans or has a history of forbearance issues, the deals must be prescreened with Freddie Mac per Exception 19.

Borrower principal has material negative credit history, been in default, involved in a foreclosure or been given relief by any lender under the terms of any mortgage loan, mezzanine loan, contract for deed or similar arrangement (i.e., by modification, workout, forbearance), or material derogatory web search results (e.g., felony or financial criminal record, bankruptcy, foreclosure/short sale, material historical litigation and/or pending litigation).

Loan Agreement Representation and Warranty; Personal Liability

The Loan Agreement includes a representation and warranty from borrower that there has been no change in facts or circumstances since submission of the Loan Application to Optigo lender that would make any information submitted as part of the Loan Application materially incomplete or inaccurate. If a loan secured by any properties owned by a borrower principal go into forbearance during underwriting of a Freddie Mac loan which was not previously disclosed then this is considered a fact or circumstance that would make any information submitted as part of the Loan Application materially incomplete and inaccurate and would need to be disclosed before the loan could close. Failure to disclose may result

in recourse liability for the borrower pursuant to Section 3.03(a) or (c) of the Loan Agreement.

Loan Agreement - **5.16 No Change in Facts or Circumstances.**

- (a) All information in the application for the loan submitted to lender, including all financial statements for the mortgaged property, borrower, and any borrower principal, and all rent schedules, reports, certificates, the Form 1114, Certification – Organizational Chart (if applicable), and any other documents submitted in connection with the application (collectively, “**Loan Application**”) is complete and accurate in all material respects as of the date such information was submitted to lender.
- (b) There has been no change in any fact or circumstance since the Loan Application was submitted to lender that would make any information submitted as part of the Loan Application materially incomplete or inaccurate.

3.03 Loss or Damage Recourse. Borrower will be personally liable to Lender for the repayment of a portion of the Indebtedness equal to any loss or damage suffered by Lender as a result of the occurrence of any of the following events:

- (a) Borrower or any Affiliate or employee of Borrower makes an unintentional written material misrepresentation in connection with the application for or creation of the Indebtedness or any action or consent of the Lender; provided that the assumption will be that any written material misrepresentation was intentional and the burden of proof will be on Borrower to prove there was no intent.
- (c) There was fraud or intentional written material misrepresentation by Borrower, any Affiliate, or any employee of Borrower in connection with the application for or creation of the Indebtedness or there is fraud in connection with any request by Borrower or Guarantor for any action or consent by Lender.