

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2021

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-40308

**FINANCE OF AMERICA COMPANIES INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

85-3474065  
(I.R.S. Employer  
Identification No.)

909 Lake Carolyn Parkway, Suite 1550,  
Irving, Texas  
(Address of Principal Executive Offices)

75039  
(Zip Code)

(972) 999-1833

Registrant's telephone number, including area code

(Former name, former address and former fiscal year, if changed since last report)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	FOA	The New York Stock Exchange
Warrants to purchase shares of Class A Common Stock	FOA.WS	The New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  Smaller reporting company   
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of August 16, 2021, 59,881,714 of the registrant's Class A common stock, par value \$0.0001 per share, were issued and outstanding

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**Finance of America Companies Inc.  
and Subsidiaries**

<u>Table of Contents</u>	<u>Page</u>
<b><u>Part I—Financial Information</u></b>	<b>3</b>
<b><u>Item 1. Financial Statements</u></b>	<b>3</b>
<b><u>Consolidated Financial Statements</u></b>	<b>3</b>
<u>Consolidated Statements of Financial Condition</u>	3
<u>Consolidated Statements of Operations</u>	5
<u>Consolidated Statements of Comprehensive Income</u>	6
<u>Consolidated Statements of Changes in Equity</u>	7
<u>Consolidated Statements of Cash Flows</u>	9
<u>Notes to Consolidated Financial Statements</u>	12
<b><u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u></b>	<b>89</b>

**Cautionary Note Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts or statements of current conditions, but instead represent only management’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that our actual results, financial condition and liquidity may differ, possibly materially, from the anticipated results, financial condition and liquidity in these forward-looking statements. The Company’s actual results may differ from its expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” and similar expressions (or the negative versions of such words or expressions) are intended to identify such forward-looking statements. The Company cautions readers not to place undue reliance upon any forward-looking statements, which are current only as of the date of this report. Results for any specified quarter are not necessarily indicative of the results that may be expected for the full year or any future period. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based, except as required by law. Such forward-looking statements are subject to various risks and uncertainties including, among others; the effect of the COVID-19 pandemic on the Company’s business; changes in prevailing interest rates or U.S. monetary policies that affect interest rates that may have a detrimental effect on our business; the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors in our markets; our ability to obtain sufficient capital to meet the financing requirements of our business; the use estimates in measuring or determining the fair value of the majority of our assets and liabilities; the possibility of disruption in the secondary home loan market, including the mortgage-backed securities market; and other risks and uncertainties set forth in the section entitled “Risk Factors” included in our Registration Statement on Form S-1 originally filed with the SEC on May 25, 2021, as such factors may be further updated from time to time in the Company’s periodic filings with the SEC, which are accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov). Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in the Company’s other filings with the SEC.

**Website Disclosure**

The Company may use its website as a distribution channel of material company information. Financial and other important information regarding the Company is routinely posted on and accessible through the Company’s investor relations website at <https://www.financeofamerica.com/investors>. In addition, you may automatically receive email alerts and other information about the Company when you enroll your email address by visiting “Email Alerts” under the “News & Events” tab of our investor relations website. Information on the Company’s website is not incorporated by reference herein and is not a part of this Form 10-Q.

**Part I—Financial Information**

**Item 1. Financial Statements**

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Financial Condition**  
(In thousands, except for share data)

	<u>June 30, 2021</u> Successor (unaudited)	<u>December 31, 2020</u> Predecessor
<b>ASSETS</b>		
Cash and cash equivalents	\$ 157,336	\$ 233,101
Restricted cash	354,390	306,262
Reverse mortgage loans held for investment, subject to HMBS related obligations, at fair value	10,316,027	9,929,163
Mortgage loans held for investment, subject to nonrecourse debt, at fair value	5,424,621	5,396,167
Mortgage loans held for investment, at fair value	1,225,090	730,821
Mortgage loans held for sale, at fair value	2,057,542	2,222,811
Debt securities	8,694	10,773
Mortgage servicing rights, at fair value, \$65,129 and \$14,088, subject to nonrecourse MSR financing liability, respectively	290,938	180,684
Derivative assets	61,811	92,065
Fixed assets and leasehold improvements, net	28,669	24,512
Goodwill	1,298,324	121,233
Intangible assets, net	704,243	16,931
Other assets, net	300,253	300,632
<b>TOTAL ASSETS</b>	<b><u>\$22,227,938</u></b>	<b><u>\$ 19,565,155</u></b>
<b>LIABILITIES, CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST (“CRNCI”) AND EQUITY</b>		
HMBS related obligation, at fair value	\$10,168,224	\$ 9,788,668
Nonrecourse debt, at fair value	5,425,732	5,271,842
Other financing lines of credit	3,412,234	2,973,743
Payables and other liabilities	488,735	400,058
Notes payable, net	353,718	336,573
<b>TOTAL LIABILITIES</b>	<b><u>19,848,643</u></b>	<b><u>18,770,884</u></b>
Commitments and Contingencies (Note 23)		
<b>CRNCI (Note 25)</b>	—	166,231
<b>EQUITY (Note 35)</b>		
FoA Equity Capital LLC member’s equity	—	628,176
Class A Common Stock (Successor), \$0.0001 par value; 6,000,000,000 shares authorized; 59,881,714 shares issued and outstanding at June 30, 2021	6	—
Class B Common Stock (Successor), \$0.0001 par value; 1,000,000 shares authorized, 7 shares issued and outstanding at June 30, 2021	—	—
Additional paid-in capital (Successor)	807,521	—
Accumulated deficit (Successor)	(69,548)	—
Accumulated other comprehensive (loss) income	(27)	9
Noncontrolling interest	1,641,343	(145)
<b>TOTAL EQUITY</b>	<b><u>2,379,295</u></b>	<b><u>628,040</u></b>
<b>TOTAL LIABILITIES, CRNCI AND EQUITY</b>	<b><u>\$22,227,938</u></b>	<b><u>\$ 19,565,155</u></b>

*See accompanying notes to unaudited consolidated financial statements*

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Financial Condition**  
(In thousands)

The following table presents the assets and liabilities of the Company's consolidated variable interest entities, which are included on the Consolidated Statements of Financial Condition above, and excludes intercompany balances, retained bonds and beneficial interests that eliminate in consolidation.

	<u>June 30, 2021</u> <u>Successor</u> <u>(unaudited)</u>	<u>December 31, 2020</u> <u>Predecessor</u>
<b>ASSETS</b>		
Restricted cash	\$ 334,984	\$ 293,580
Mortgage loans held for investment, subject to nonrecourse debt, at fair value		
2021 FASST HB1	506,482	—
2020 RTL1 ANTLR	—	137,989
2019 FASST JR2	437,641	488,760
2020 FASST HB2	397,121	398,480
2018 FASST JR1	395,716	449,069
2019 FASST JR3	370,209	450,703
2020 FASST JR3	341,385	372,015
2019 FASST JR4	331,302	377,265
2020 FASST S3	313,728	316,774
2020 FASST JR2	312,160	341,439
2019 FASST JR1	295,605	331,244
2020 FASST S2	289,129	311,721
2021 FASST JR1	562,333	—
2018 FASST JR2	234,665	264,622
2020 FASST JR4	228,248	237,100
2020 FASST S1	173,955	189,243
2020 FASST JR1	—	263,266
2018 RTL1 ANTLR	—	82,393
2019 RTL1 ANTLR	—	118,161
2020 FASST HB1	—	265,923
2021 RTL1 ANTLR	234,942	—
Other assets	76,056	79,528
<b>TOTAL ASSETS</b>	<b>\$ 5,835,661</b>	<b>\$ 5,769,275</b>
<b>LIABILITIES</b>		
Nonrecourse debt, at fair value		
2021 FASST HB1	\$ 537,618	\$ —
2021 FASST JR1	507,721	—
2020 FASST HB2	445,758	472,074
2019 FASST JR2	425,568	463,568
2018 FASST JR1	405,161	450,268
2019 FASST JR3	374,391	423,406
2020 FASST JR3	316,738	337,024
2019 FASST JR4	316,203	350,514
2019 FASST JR1	301,889	326,367
2020 FASST S2	287,139	298,435
2020 FASST S3	286,549	294,226
2020 FASST JR2	280,978	297,046
2021 RTL1 ANTLR	266,461	—
2018 FASST JR2	240,078	265,695
2020 FASST JR4	198,582	217,362
2020 FASST S1	169,769	181,630
2020 FASST JR1	—	238,438
2020 RTL1 ANTLR	—	140,441
2018 RTL1 ANTLR	—	80,767
2019 RTL1 ANTLR	—	121,580
2020 FASST HB1	—	298,913
Payables and other liabilities	117	291
<b>TOTAL LIABILITIES</b>	<b>\$ 5,360,720</b>	<b>\$ 5,258,045</b>
<b>Net fair value of assets subject to nonrecourse debt</b>	<b>\$ 474,941</b>	<b>\$ 511,230</b>

*See accompanying notes to unaudited consolidated financial statements*

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(In thousands, except share data)  
(Unaudited)

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
<b>REVENUES</b>				
Gain on sale and other income from mortgage loans held for sale, net	\$ 187,577	\$ 291,334	\$ 298,291	\$ 428,975
Net fair value gains on mortgage loans and related obligations	131,151	76,663	112,303	125,683
Fee income	90,864	161,371	76,656	146,627
Net interest expense:				
Interest income	13,151	12,661	11,507	19,678
Interest expense	(33,626)	(34,366)	(33,298)	(67,230)
Net interest expense	(20,475)	(21,705)	(21,791)	(47,552)
<b>TOTAL REVENUES</b>	<b>389,117</b>	<b>507,663</b>	<b>465,459</b>	<b>653,733</b>
<b>EXPENSES</b>				
Salaries, benefits and related expenses	274,731	238,530	230,275	374,653
Occupancy, equipment rentals and other office related expenses	6,720	7,597	7,208	14,611
General and administrative expenses	119,301	127,217	81,214	159,780
<b>TOTAL EXPENSES</b>	<b>400,752</b>	<b>373,344</b>	<b>318,697</b>	<b>549,044</b>
<b>OTHER, NET</b>	<b>(2,103)</b>	<b>(8,862)</b>	<b>(28)</b>	<b>(44)</b>
<b>NET (LOSS) INCOME BEFORE INCOME TAXES</b>	<b>(13,738)</b>	<b>125,457</b>	<b>146,734</b>	<b>104,645</b>
Provision for income taxes	1,086	1,137	448	766
<b>NET (LOSS) INCOME</b>	<b>(14,824)</b>	<b>124,320</b>	<b>146,286</b>	<b>103,879</b>
CRNCI	—	4,260	(2,620)	(18,006)
Noncontrolling interest	(17,089)	201	571	800
<b>NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST</b>	<b>\$ 2,265</b>	<b>\$ 119,859</b>	<b>\$ 148,335</b>	<b>\$ 121,085</b>
<b>EARNINGS PER SHARE (Note 33)</b>				
Basic weighted average shares outstanding	59,881,714			
Basic net income per share	\$ 0.04			
Diluted weighted average shares outstanding	191,200,000			
Diluted net loss per share	\$ (0.05)			

*See accompanying notes to unaudited consolidated financial statements*

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
(Dollars in thousands)  
(Unaudited)

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
<b>NET (LOSS) INCOME</b>	<b>\$ (14,824)</b>	\$ 124,320	\$ 146,286	\$ 103,879
<b>COMPREHENSIVE LOSS ITEM:</b>				
Impact of foreign currency translation adjustment	(27)	(11)	18	11
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(14,851)</b>	124,309	146,304	103,890
Less: Comprehensive loss attributable to the noncontrolling interest and CRNCI	(17,108)	4,461	(2,049)	(17,206)
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO CONTROLLING INTEREST</b>	<b>\$ 2,257</b>	<b>\$ 119,848</b>	<b>\$ 148,353</b>	<b>\$ 121,096</b>

*See accompanying notes to unaudited consolidated financial statements*

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Equity**  
(Dollars in thousands)  
(Unaudited)

	FoA Equity Capital LLC Member's Equity	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total
<b>Predecessor:</b>				
<b>Balance at December 31, 2019 (audited)</b>	<b>\$ 482,719</b>	<b>\$ (51)</b>	<b>\$ 145</b>	<b>\$482,813</b>
Contributions from members	1,042	—	—	1,042
Net (loss) income	(27,249)	—	229	(27,020)
Foreign currency translation adjustment	—	(8)	—	(8)
<b>Balance at March 31, 2020</b>	<b>456,512</b>	<b>(59)</b>	<b>374</b>	<b>456,827</b>
Distributions to members	(578)	—	—	(578)
Noncontrolling interest distributions	—	—	(310)	(310)
Net income	148,335	—	571	148,906
Foreign currency translation adjustment	—	18	—	18
<b>Balance at June 30, 2020</b>	<b>\$ 604,269</b>	<b>\$ (41)</b>	<b>\$ 635</b>	<b>\$604,863</b>
<b>Balance at December 31, 2020 (audited)</b>	<b>\$ 628,176</b>	<b>\$ 9</b>	<b>\$ (145)</b>	<b>\$628,040</b>
Contributions from members	1,426	—	—	1,426
Distributions to members	(75,000)	—	—	(75,000)
Noncontrolling interest distributions	—	—	(620)	(620)
Net income	119,859	—	201	120,060
Accretion of CRNCI to redemption price	(32,725)	—	—	(32,725)
Foreign currency translation adjustment	—	(11)	—	(11)
<b>Balance at March 31, 2021</b>	<b>\$ 641,736</b>	<b>\$ (2)</b>	<b>\$ (564)</b>	<b>\$641,170</b>

*See accompanying notes to unaudited consolidated financial statements*

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Equity**  
(In thousands, except share data)  
(Unaudited)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated (Deficit)	Accumulated Other Comprehensive Loss	Noncontrolling Interest		Total Equity
	Shares	Amount	Shares	Amount				Class A LLC Units	Amount	
<b>Successor:</b>										
<b>Balance at April 1, 2021</b>	<b>59,881,714</b>	<b>\$ 6</b>	<b>7</b>	<b>\$ —</b>	<b>\$758,243</b>	<b>\$ (71,813)</b>	<b>\$ —</b>	<b>131,318,286</b>	<b>\$1,658,545</b>	<b>\$2,344,981</b>
Net (loss) income	—	—	—	—	—	2,265	—	—	(17,089)	(14,824)
Noncontrolling interest contributions	—	—	—	—	—	—	—	—	24	24
Noncontrolling interest distributions	—	—	—	—	—	—	—	—	(137)	(137)
Vesting of restricted stock units	—	—	—	—	49,278	—	—	—	—	49,278
Foreign currency translation adjustment	—	—	—	—	—	—	(27)	—	—	(27)
<b>Balance at June 30, 2021</b>	<b><u>59,881,714</u></b>	<b><u>\$ 6</u></b>	<b><u>7</u></b>	<b><u>\$ —</u></b>	<b><u>\$807,521</u></b>	<b><u>\$ (69,548)</u></b>	<b><u>\$ (27)</u></b>	<b><u>131,318,286</u></b>	<b><u>\$1,641,343</u></b>	<b><u>\$2,379,295</u></b>

*See accompanying notes to unaudited consolidated financial statements*

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(Dollars in thousands)  
(Unaudited)

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the six months ended June 30, 2020
<b>Operating Activities</b>			
Net (loss) income	\$ (14,824)	\$ 124,320	\$ 103,879
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
	5,172	(6,277)	(221,079)
Net cash (used in) provided by operating activities	(9,652)	118,043	(117,200)
<b>Investing Activities</b>			
Purchases and originations of mortgage loans held for investment	(1,241,085)	(1,151,925)	(2,056,834)
Proceeds/payments received on mortgage loans held for investment	689,215	677,777	681,376
Purchases and origination of mortgage loans held for investment, subject to nonrecourse debt	(12,319)	(12,247)	(20,429)
Proceeds/payments on mortgage loans held for investment, subject to nonrecourse debt	251,152	217,452	511,615
Purchases of debt securities	(1,449)	(557)	(9,044)
Proceeds/payments on debt securities	1,888	2,096	26,673
Purchases of mortgage servicing rights	(61)	(9,014)	—
Proceeds on sale of mortgage servicing rights	—	7,765	—
Acquisition of subsidiaries, net of cash acquired	(20,000)	(749)	364
Purchase of investments	—	—	(2,250)
Acquisition of fixed assets	(4,915)	(4,178)	(4,129)
Acquisition of deferred purchase price liability	—	—	—
Payments on deferred purchase price liability	(311)	(657)	(949)
Issuance of convertible notes receivable	—	(2,550)	—
DIP Financing	—	(35,260)	—
Net cash used in investing activities	(337,885)	(312,047)	(873,607)
<b>Financing Activities</b>			
Proceeds from securitizations of reverse mortgage loans, subject to HMBS related obligations	795,334	602,172	898,118
Payments of HMBS related obligations	(597,892)	(506,142)	(1,002,412)
Proceeds from issuance of nonrecourse debt, net	600,595	579,518	1,645,039
Payments on nonrecourse debt	(498,966)	(658,300)	(512,689)
Proceeds from other financing lines of credit	8,758,149	10,027,696	15,347,541
Payments on other financing lines of credit	(8,620,873)	(9,660,588)	(15,354,635)
Debt issuance costs	(580)	(2,467)	(2,828)
Payments on notes payable	—	—	(10,000)
Principal payments under capital lease obligation	—	—	(415)
Member contributions	—	1,426	502
Member distributions	—	(75,000)	—
Settlement of CRNCI	(203,216)	—	—
Noncontrolling interest contributions	23	—	16
Noncontrolling interest distributions	(137)	(620)	(310)
Net cash provided by financing activities	232,437	307,695	1,007,927
<b>Foreign currency translation adjustment</b>	<b>(1)</b>	<b>(7)</b>	<b>5</b>
Net (decrease) increase in cash and restricted cash	(115,101)	113,684	17,125

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(Dollars in thousands)  
(Unaudited)

	April 1, 2021 to June 30, 2021	January 1, 2021 to March 31, 2021	For the six months ended June 30, 2020
	Successor	Predecessor	
<b>Cash and restricted cash, beginning of period</b>	<b>626,827</b>	539,363	382,664
<b>Cash and restricted cash, end of period</b>	<b>\$ 511,726</b>	\$ 653,047	\$ 399,789
<b>Supplementary Cash Flows Information</b>			
Cash paid for interest	\$ 68,186	\$ 50,071	\$ 206,536
Cash paid for taxes, net	1,521	63	276
Loans transferred to mortgage loans held for investment, at fair value, from mortgage loans held for investment, subject to nonrecourse debt, at fair value	242,650	283,428	238,811
Loans transferred to mortgage loans held for sale, at fair value, from mortgage loans held for investment, at fair value	3,084	—	777,256
Loans transferred to government guaranteed receivables from mortgage loans held for investment, at fair value, and mortgage loans held for investment, subject to nonrecourse debt, at fair value	79	71	72,469
Loans transferred to mortgage loans held for investment, subject to nonrecourse debt, at fair value, from mortgage loans held for investment, at fair value	505,378	272,098	1,885,291
Loans transferred to mortgage loans held for investment, subject to HMBS, at fair value, from mortgage loans held for investment, at fair value	701,375	42,909	—

*See accompanying notes to unaudited consolidated financial statements*

**Finance of America Companies Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(Dollars in thousands)  
(Unaudited)

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the six months ended June 30, 2020
<b>Consideration Transferred</b>			
Total cash consideration	\$ 342,270		
Blocker rollover equity	221,811		
Seller earnout contingent consideration	160,272		
Tax receivable agreement obligations to the seller	31,950		
Total consideration transferred	756,303		
Noncontrolling interest	1,658,545		
Total equity value	\$ 2,414,848		
<b>Acquisition Related Activity</b>			
<b>Assets Acquired</b>			
Cash and cash equivalents	\$ 336,075		
Restricted cash	305,292		
Non-cash assets acquired:			
Reverse mortgage loans held for investment, subject to HMBS related obligations at fair value	10,071,192		
Mortgage loans held for investment, subject to nonrecourse debt at fair value	5,291,443		
Mortgage loans held for investment, at fair value	1,100,544		
Mortgage loans held for sale, at fair value	2,140,361		
Debt securities	9,230		
Mortgage servicing rights, at fair value	267,364		
Derivative assets	116,479		
Fixed assets and leasehold improvements, net	26,079		
Intangible assets, net	717,700		
Other assets, net	279,155		
<b>Total assets acquired</b>	<b>\$20,660,914</b>		
<b>Liabilities assumed</b>			
HMBS related obligations, at fair value	9,926,131		
Nonrecourse debt, at fair value	5,227,942		
Other financing lines of credit	3,340,345		
Payables and other liabilities	669,048		
Notes payable, net	353,924		
<b>Total liabilities assumed</b>	<b>19,517,390</b>		
<b>Tangible net assets acquired</b>	<b>1,143,524</b>		
<b>Goodwill</b>	<b>\$ 1,271,324</b>		

*See accompanying notes to unaudited consolidated financial statements*

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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**1. Organization and Description of Business**

Finance of America Companies Inc. (“FoA”, “Company”, or “Successor”) was incorporated in Delaware on October 9, 2020. FoA is a financial services holding company which, through its operating subsidiaries, is a leading originator and servicer of residential mortgage loans and provider of complementary financial services.

FoA has a controlling financial interest in Finance of America Equity Capital LLC (“FoA Equity” or “Predecessor”). FoA Equity owns all of the outstanding equity interests or has a controlling financial interest in Finance of America Funding LLC (“FOAF”). FOAF wholly owns Finance of America Holdings LLC (“FAH”) and Incenter LLC (“Incenter” and collectively, with FoA Equity, FOAF and FAH, known as “holding company subsidiaries”).

The Company, through its holding company subsidiary, FAH, operates three lending companies, Finance of America Mortgage LLC (“FAM”), Finance of America Reverse LLC (“FAR”), and Finance of America Commercial LLC (“FACo”) (collectively, the “operating lending subsidiaries”). Through FAM and FAR, the Company originates, purchases, sells and securitizes conventional (conforming to the underwriting standards of Fannie Mae or Freddie Mac; collectively referred to as government sponsored entities (“GSEs”)), government-insured (Federal Housing Administration (“FHA”)), government guaranteed (Department of Veteran Affairs), and proprietary non-agency residential and reverse mortgages. FACo serves as a specialty finance company which originates a variety of commercial mortgage loans to owners and investors of single and multi-family residential rental properties. The Company, through its other holding company subsidiary, Incenter, has operating service companies (the “operating service subsidiaries” and together with the operating lending subsidiaries, the “operating subsidiaries”) which provide lender services, title services, secondary markets advisory, mortgage trade brokerage, appraisal and capital management services to customers in the residential mortgage, student lending, and commercial lending industries. Incenter operates a foreign branch in the Philippines for fulfillment transactional support.

***Impact of the COVID-19 Pandemic***

The COVID-19 pandemic has adversely impacted global financial markets and contributed to significant volatility in market liquidity and yields required by market investors in the type of financial instruments originated by the Company’s primary operating subsidiaries. The full impact of the COVID-19 pandemic continues to evolve as of the date of this report. The Company’s management is actively monitoring the global situation and its effect on the Company’s financial condition, liquidity, operations, industry, and workforce. Further, the Company cannot estimate the length or gravity of the impact that the COVID-19 pandemic will have on the residential mortgage and commercial lending industries. As of June 30, 2021 (Successor), 551 clients, or 0.57% of the total serviced portfolio, have entered into a forbearance plan as a result of the economic impacts caused by COVID-19. As the pandemic continues, it has the potential to cause additional volatility in the financial markets and may have an adverse effect on the Company’s results of future operations, financial position, intangible assets and liquidity in fiscal year 2021.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying unaudited consolidated financial statements comprise the financial statements of FoA and its controlled subsidiaries for the Successor period from April 1, 2021 to June 30, 2021 and the financial statements of FoA Equity and its controlled subsidiaries for the Predecessor periods from January 1, 2021 to March 31, 2021 and for the three months ended and six months ended June 30, 2020. The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial statements and pursuant to the accounting and disclosure rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The Consolidated Statement of Financial Condition as of December 31, 2020 has been derived from the audited consolidated financial statements of the Predecessor as of and for the year ended December 31, 2020. In the opinion of management, such financial information reflects all normal and recurring adjustments necessary for a fair presentation of the financial position and the results of operations for such interim periods in accordance with GAAP. Operating results for the interim period are not necessarily indicative of the results that may be expected for any future period or for the full year. The consolidated interim financial statements, including the significant accounting policies, should be read in conjunction with the audited consolidated financial statements of FoA Equity and notes thereto for the year ended December 31, 2020 (Predecessor).

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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On October 12, 2020, the Company, Replay Acquisition Corp. (“Replay”) and FoA Equity entered into the Transaction Agreement pursuant to which Replay agreed to combine with FoA Equity in a series of transactions that resulted in the formation of the Company as a publicly traded company on the New York Stock Exchange (“NYSE”), and the Company controlling FoA Equity in an “UP-C” structure (collectively, the “Business Combination”). At the closing of the Business Combination (the “Closing”) on April 1, 2021 (the “Closing Date”), Replay domesticated into a Delaware corporation and the Company was formed. See Note 4—Acquisitions for additional information.

The consolidated financial statements include the accounts of the Predecessor, prior to the Business Combination, which was determined to be FoA Equity, a limited liability company that was formed in July 2020. Prior to the Business Combination, FoA Equity was a wholly owned subsidiary of UFG Holdings LLC (“UFG”). FoA Equity owned all of the outstanding equity interests or had a controlling financial interest in FOAF, FAH and Incenter LLC, which were wholly owned subsidiaries of FOAF, as well as their consolidated operating lending subsidiaries and operating service subsidiaries. See Note 1—Organization and Description of Business for additional information.

The significant accounting policies described below, together with the other notes that follow, are an integral part of the consolidated financial statements.

***Principles of Consolidation***

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries and certain variable interest entities (“VIEs”) where the Company is the primary beneficiary. The Company is deemed to be the primary beneficiary of a VIE when it has both (1) the power to direct the activities of the VIE that most significantly impact the entity’s economic performance, and (2) exposure to benefits and/or losses that could potentially be significant to the entity. Assets and liabilities of VIEs and their respective results of operations are consolidated from the date that the Company became the primary beneficiary through the date that the Company ceases to be the primary beneficiary.

FoA Equity consolidates the accounts of Finance of America Commercial Holdings LLC (“FACo Holdings”), which is a direct subsidiary of FAH and an indirect parent company of FACo. Through the date of the Business Combination, the noncontrolling interests of FACo Holdings met the definition of contingently redeemable financial instruments for which the ability to redeem was outside the control of the consolidating entity. The Contingently Redeemable Noncontrolling Interest (“CRNCI”) in this subsidiary was shown as a separate caption between liabilities and equity. Any income or losses attributable to the CRNCI were shown as an addition to or deduction from CRNCI in the Consolidated Statements of Financial Condition. All significant intercompany balances and transactions were eliminated. See Note 25—Changes in CRNCI for further discussion of the CRNCI and additions to or deductions from the CRNCI balance.

***Business Combinations***

The Company applies the acquisition method to all transactions and other events in which the entity obtains control over one or more other businesses. Assets acquired and liabilities assumed are measured at fair value as of the acquisition date. Liabilities related to contingent consideration are recognized at the acquisition date and re-measured at fair value in each subsequent reporting period. Goodwill is recognized if the consideration transferred exceeds the fair value of the net assets acquired.

Under ASC 805 there is an option to apply push-down accounting, which establishes a new basis for the assets and liabilities of the acquired company based on a “push down” of the acquirer’s stepped-up basis. The push-down accounting election is made in the reporting period in which the change-in-control event occurs. FoA has elected push-down accounting for the Business Combination, and will record the push-down entries at FoA Equity.

***Goodwill***

Goodwill is the excess of the purchase price over the fair value of the net assets acquired. Goodwill is not amortized, but is reviewed for impairment annually as of October 1 and monitored for interim triggering events on an ongoing basis. If certain events occur, which indicate goodwill might be impaired between annual tests, goodwill must be tested when such events occur. In making this assessment, the Company considers a number of factors including operating results, business plans, economic projections, anticipated future cash flows, etc. There are inherent uncertainties related to these factors and management’s judgment in applying them to the analysis of goodwill impairment. Changes

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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in economic and operating conditions could result in goodwill impairment in future periods. In testing goodwill for impairment, the Company performs a qualitative assessment of whether it is more likely than not that the fair value of a reporting unit is less than its carrying value including goodwill. If the qualitative assessment determines that it is more likely than not that the fair value of the reporting unit is less than its carrying value including goodwill, the Company will compare the fair value of that reporting unit with its carrying value including goodwill. If the carrying value of a reporting unit exceeds its fair value, goodwill is considered impaired with the impairment loss equal to the amount by which the carrying value of the goodwill exceeds the implied fair value of that goodwill.

***Intangible Assets, Net***

Intangible assets, net, primarily consist of trade names, customer lists, and broker relationships acquired through various acquisitions. Intangible assets are amortized on a straight line basis over their estimated useful lives. Amortization expense of intangibles is included in general and administrative expenses on the Consolidated Statements of Operations. The Company reviews intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable.

***Warrant Liability***

The Company accounts for warrants for the Company's Class A Common Stock as liabilities at fair value within payables and other liabilities on the Consolidated Statements of Financial Condition because the warrants do not meet the criteria for classification within equity. The warrants are subject to remeasurement at each statement of financial condition date and any change in fair value is recognized within other, net in the Consolidated Statements of Operations. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrants.

***Tax Receivable Agreement Obligation***

In connection with the Business Combination, concurrently with the Closing, the Company entered into Tax Receivable Agreements ("TRA") with certain owners of FoA Equity prior to the Business Combination (the "TRA Parties"). The TRAs generally provide for the payment by the Company to the TRA Parties of 85% of the cash tax benefits, if any, that the Company is deemed to realize (calculated using certain simplifying assumptions) as a result of (i) tax basis adjustments as a result of sales and exchanges of units in connection with or following the Business Combination and certain distributions with respect to units, (ii) the Company's utilization of certain tax attributes attributable to Blackstone Tactical Opportunities Associates—NQ L.L.C., a Delaware limited partnership, shareholders ("Blocker GP"), and (iii) certain other tax benefits related to entering into the TRAs, including tax benefits attributable to making payments under the TRAs. These tax basis adjustments generated over time may increase (for tax purposes) the depreciation and amortization deductions available to the Company and, therefore, may reduce the amount of U.S. federal, state and local tax that the Company would otherwise be required to pay in the future, although the IRS may challenge all or part of the validity of that tax basis, and a court could sustain such challenge. The tax basis adjustments upon sales or exchanges of units for shares of Class A Common Stock and certain distributions with respect to Class A LLC Units may also decrease gains (or increase losses) on future dispositions of certain assets to the extent tax basis is allocated to those assets. Actual tax benefits realized by the Company may differ from tax benefits calculated under the Tax Receivable Agreements as a result of the use of certain assumptions in the TRAs, including the use of an assumed weighted average state and local income tax rate to calculate tax benefits.

The payments that FoA may make under the TRAs are expected to be substantial. The payments under the TRAs are not conditioned upon continued ownership of FoA or FoA Equity by the Continuing Unitholders.

The Company accounts for the effects of these increases in tax basis and associated payments under the TRAs arising from exchanges in connection with the Business Combination as follows:

- records an increase in deferred tax assets for the estimated income tax effects of the increases in tax basis based on enacted federal and state tax rates at the date of the exchange;

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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- to the extent we estimate that the Company will not realize the full benefit represented by the deferred tax asset, based on an analysis that will consider, among other things, our expectation of future earnings, the Company reduces the deferred tax asset with a valuation allowance; and
- initial measurement of the obligations is at fair value on the acquisition date. Subsequently, the liability will be remeasured at fair value each reporting period, with any changes in fair value recognized through earnings.

The Company records obligations under the TRAs resulting from future exchanges at the gross undiscounted amount of the expected future payments as an increase to the liability along with the deferred tax asset and valuation allowance (if any) with an offset to additional paid-in capital.

As of June 30, 2021 (Successor), the Company had a liability of \$32.8 million related to its projected obligations under the TRA, which is included in deferred purchase price liabilities within payables and other liabilities on the Consolidated Statements of Financial Condition.

***Income Taxes***

Prior to the Business Combination, a portion of the Company's earnings were subject to certain U.S. Federal and foreign taxes. Subsequent to the Transaction, the portion of earnings allocable to the Registrant is subject to corporate level tax rates at the federal, state and local levels. Therefore, the amount of income taxes recorded prior to the Business Combination are not representative of the expenses expected in the future.

The computation of the effective tax rate and provision at each interim period requires the use of certain estimates and significant judgment including, but not limited to, the expected operating income for the year, projections of the proportion of income that is subject to tax, permanent differences between the Company's GAAP earnings and taxable income, and the likelihood of recovering deferred tax assets existing as of the balance sheet date. The estimates used to compute the provision for income taxes may change throughout the year as new events occur, additional information is obtained or as tax laws and regulations change. Accordingly, the effective tax rate for future interim periods may vary materially.

The Company accounts for income taxes pursuant to the asset and liability method which requires it to recognize current tax liabilities or receivables for the amount of taxes it estimates are payable or refundable for the current year, deferred tax assets and liabilities for the expected future tax consequences attributable to temporary differences between the financial statement carrying amounts and their respective tax bases of assets and liabilities and the expected benefits of net operating loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period enacted. A valuation allowance is provided when it is more likely than not that a portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible.

The benefit of tax positions taken or expected to be taken in the Company's income tax returns is recognized in the financial statements if such positions are more likely than not of being sustained upon examination by taxing authorities. Differences between tax positions taken or expected to be taken in a tax return and the benefit recognized and measured pursuant to the interpretation are referred to as "unrecognized benefits." A liability is recognized (or amount of net operating loss carryover or amount of tax refundable is reduced) for an unrecognized tax benefit because it represents a potential future obligation to the taxing authority for a tax position that was not recognized. Interest costs and related penalties related to unrecognized tax benefits are required to be calculated, if applicable and are recognized as general and administrative expenses.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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***Seller Earnout***

The equity owners of FoA Equity prior to the Closing are entitled to receive an earnout exchangeable for Class A Common Stock if, at any time during the six years following Closing, the volume weighted average price (the "VWAP") of Class A Common Stock with respect to a trading day is greater than or equal to \$12.50 for any 20 trading days within a consecutive 30-trading-day period, 50% of the earnout units issued to sellers (in conjunction with the Sponsor shares defined below, the "Earnout Securities") will be issued; and if, at any time during the six years following Closing, the VWAP is greater than or equal to \$15.00 for any 20 trading days within a consecutive 30-trading-day period, the remaining 50% of the Earnout Securities will be issued.

The seller earnout is accounted for as contingent consideration and classified as equity. The seller earnout was measured at fair value upon the consummation of the Business Combination, the date of issuance, and will not be subsequently remeasured. The settlement of the seller earnout will be accounted for within equity, if and when, the First or Second Achievement Date occurs.

***Sponsor Earnout***

The Company classified the Sponsor Earnout Agreement as an equity transaction measured at fair value upon the consummation of the Business Combination, the date of issuance, and will not be subsequently remeasured. Additionally, the settlement of the Sponsor Earnout Agreement will be accounted for within equity, if and when the First or Second Earnout Achievement Date occurs. See Note 34—Sponsor Earnout for additional information.

***Noncontrolling Interest***

Noncontrolling interest represents the Company's noncontrolling interest in consolidated subsidiaries which are not attributable, directly or indirectly, to the controlling Class A Common Stock ownership of the Company. Net (loss) income is reduced by the portion of net (loss) income that is attributable to noncontrolling interests as well as special allocations related to the Amended and Restated Long-Term Incentive Plan ("A&R MLTIP") as defined in the FoA Equity LLC Agreement.

***Equity-Based Compensation***

Equity-based compensation with service conditions made to employees is measured based on the grant date fair value of the awards and recognized as compensation expense over the period during which the recipient is required to perform services in exchange for the award (the requisite service period). The Company has elected to use a straight-line attribution method for recognizing compensation costs relating to awards that have service conditions only. Forfeitures are recorded as they occur.

For equity-based compensation where there are market conditions as well as service conditions to vesting, the grant date fair value of the awards is recognized as compensation expense using the graded-vesting method over the requisite service period for each separately vesting tranche of the award as if they were multiple awards.

***Earnings Per Share***

Basic net income per share is based on the weighted average number of shares of Class A Common Stock issued and outstanding during the Successor period. Diluted net income per share is based on the weighted average number of shares of Class A Common Stock issued and outstanding and the effect of all dilutive common stock equivalents and potentially dilutive share based compensation awards outstanding during the Successor period.

For the Predecessor periods, FoA Equity's capital structure consisted of a single class of outstanding membership units which were held by one member, UFG. Therefore, the Company omitted earnings per unit for the Predecessor periods presented due to the limited number of LLC unit holders.

***Reclassifications***

Certain amounts from the prior period consolidated financial statements have been reclassified to conform to the current period financial presentation.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

***Recently Adopted Accounting Guidance***

<b>Standard</b>	<b>Description</b>	<b>Effective Date</b>	<b>Effect on Consolidated Financial Statements</b>
ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, ASU 2019-05, Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief, ASU 2019-10, Financial Instruments—Credit Losses (Topic 326), ASU 2019-11, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, ASU 2020-03, Codification Improvements to Financial Instruments	<p>Requires use of the current expected credit loss model that is based on expected losses (net of expected recoveries), rather than incurred losses, to determine our allowance for credit losses on financial assets measured at amortized cost, certain net investments in leases and certain off-balance sheet arrangements.</p> <p>Replaces current accounting for purchased credit impaired (“PCI”) and impaired loans.</p> <p>Amends the other-than-temporary impairment model for available for sale debt securities. The new guidance requires that credit losses be recorded through an allowance approach, rather than through permanent write-downs for credit losses and subsequent accretion of positive changes through interest income over time.</p>	January 2020	<p>The Company determined that certain servicer advances and other receivables, net of reserves included in other assets are within the scope of ASU 2016-13. The Company determined that these receivables have limited expected credit-related losses due to the contractual servicing agreements with agencies and loan product guarantees. Furthermore, the Company determined that for outstanding servicer and other advances, the majority of estimated losses are attributable to losses due to operational servicing defects and credit-related losses are not significant because of the contractual relationship with the agencies. The adoption of ASU 2016-13 did not have a material impact on the Company’s consolidated financial statements.</p>
ASU 2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities	<p>The amendments in this Update require that indirect interests held through related parties under common control be considered on a proportional basis when determining whether fees paid to decision makers or service providers are variable interests. These amendments align with the determination of whether a reporting entity within a related party group is the primary beneficiary of a VIE.</p>	January 2020	<p>The Company adopted this guidance using the prospective method of adoption.</p> <p>Adoption of this standard did not have a material impact on the consolidated financial statements.</p>
ASU No. 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment	<p>Historical guidance for goodwill impairment testing prescribed that the Company must compare each reporting unit’s carrying value to its fair value. If the carrying value exceeds fair value, an entity performs the second step, which assigns the reporting unit’s fair value to its assets and liabilities, including unrecognized assets and liabilities, in the same manner as required in purchase accounting and then records an impairment. This ASU eliminates the second step.</p> <p>Under the new guidance, an impairment of a reporting unit’s goodwill is determined based on the amount by which the reporting unit’s carrying value exceeds its fair value, limited to the amount of goodwill allocated to the reporting unit.</p>	January 2020	<p>The Company adopted this guidance using the prospective method of adoption.</p> <p>Adoption of this standard did not have a material impact on the consolidated financial statements.</p>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

<u>Standard</u>	<u>Description</u>	<u>Effective Date</u>	<u>Effect on Consolidated Financial Statements</u>
ASU 2018-13 , Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement	<p>The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurements, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. Certain disclosure requirements were either removed, modified, or added.</p> <p>This guidance removes the requirement to disclose the amount of and reasons for transfers between Level 1 and Level 2 fair value measurement methodologies, the policy for timing of transfers between levels and the valuation processes for Level 3 fair value measurements. It also adds a requirement to for the disclosure of a) changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period and b) the range and weighted average of significant unobservable inputs used to develop Level 3 measurements. For certain unobservable inputs, entities may disclose other quantitative information in lieu of the weighted average if the other quantitative information would be a more reasonable and rational method to reflect the distribution of unobservable inputs used to develop Level 3 fair value measurements.</p>	January 2020	The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.
ASU 2018-15 , Intangibles— Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract	The amendments in this Update align the requirements for capitalizing implementation costs incurred in a service-contract hosting arrangement with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license).	January 2020	<p>The Company adopted this guidance using the prospective method of adoption.</p> <p>Adoption of this standard did not have a material impact on the Company’s consolidated financial statements.</p>
ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes	This amendment simplifies various aspects of the guidance on accounting for income taxes.	January 2021	<p>The Company adopted this guidance using the prospective method of adoption.</p> <p>Adoption of this standard did not have a material impact on the Company’s consolidated financial statements.</p>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

*Recently Issued Accounting Guidance, Not Yet Adopted as of June 30, 2021*

<b>Standard</b>	<b>Description</b>	<b>Date of Planned Adoption</b>	<b>Effect on Consolidated Financial Statements</b>
ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting	The amendments in this Update provide temporary optional expedients and exceptions for applying GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, that reference London Inter-Bank Offered Rate (“LIBOR”) or other interbank offered rates expected to be discontinued.	TBD	This ASU is effective from March 12, 2020 through December 31, 2022.  If LIBOR ceases to exist or if the methods of calculating LIBOR change from the current methods for any reasons, interest rates on our floating rate loans, obligation derivatives, and other financial instruments tied to LIBOR rates, may be affected and need renegotiation with its lenders.
ASU 2021-01, Reference Rate Reform (Topic 848): Codification Clarification	In January 2021, FASB issued an Update which refines the scope of ASU Topic 848 and clarifies the guidance issued to facilitate the effects of reference rate reform on financial reporting. The amendment permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, computing variation margin settlements and calculating price alignment interest in connection with reference rate reform activities.		The Company continues to assess the potential impact that the adoption of this ASU will have on the Company’s consolidated financial statements and related disclosures.
ASU 2021-04, Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options	The amendments in this Update affect all entities that issue freestanding written call options that are classified in equity. Specifically, the amendments affect those entities when a freestanding equity-classified written call option is modified or exchanged and remains equity classified after the modification or exchange. The amendments that relate to the recognition and measurement of EPS for certain modifications or exchanges of freestanding equity-classified written call options affect entities that present EPS in accordance with the guidance in Topic 260, Earnings Per Share.	January 2022	This ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.  The adoption of this standard is not expected to have any material impact on the Company’s consolidated financial statements as it currently does not apply.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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**3. Variable Interest Entities and Securitizations**

The Company determined that the SPEs created in connection with its securitizations are VIEs. A VIE is an entity that has either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support or whose equity investors lack the characteristics of a controlling financial interest. A VIE is consolidated by its primary beneficiary, which is the entity that, through its variable interests has both the power to direct the activities that significantly impact the VIE's economic performance and the obligations to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

FACo

FACo securitizes certain of its interests in fix & flip mortgages. The transactions provide debt security holders the ability to invest in a pool of performing loans secured by an investment in real estate. The transactions provide FACo with access to liquidity for the loans and ongoing management fees. The principal and interest on the outstanding debt securities are paid using the cash flows from the underlying loans, which serve as collateral for the debt.

In April 2021, FACo executed its optional redemption of outstanding securitized notes related to the 2018, 2019, and 2020 ANTLR securitizations. As part of the optional redemption, FACo paid off notes with an outstanding principal balance of \$175.3 million. The notes were paid off at par.

FAR

FAR securitizes certain of its interests in non-performing reverse mortgages and non-agency reverse mortgage loans. The transactions provide investors with the ability to invest in a pool of reverse mortgage loans secured by one-to-four-family residential properties. The transactions provide FAR with access to liquidity for these assets, ongoing servicing fees, and potential residual returns. The principal and interest on the outstanding certificates are paid using the cash flows from the underlying reverse mortgage loans, which serve as collateral for the debt. The securitizations are callable at or following the optional redemption date as defined in the respective indenture agreements.

In February 2021, FAR executed its optional redemption of outstanding securitized notes related to outstanding nonperforming HECM securitizations. As part of the optional redemption, FAR paid off notes with an outstanding principal balance of \$294.2 million. The notes were paid off at par.

In April 2021, FAR executed its optional redemption of outstanding securitized notes related to outstanding non-agency reverse mortgage securitizations. As part of the optional redemption, FAR paid off notes with an outstanding principal balance of \$239.8 million, accrued interest of \$6.3 million and discount of \$3.7 million.

In their capacity as servicer of the securitized loans, FACo and FAR retain the power to direct the VIE's activities that most significantly impact the VIEs economic performance. FACo and FAR also retain certain beneficial interests in these trusts which provide exposure to potential gains and losses based on the performance of the trust. As FACo and FAR have both the power to direct the activities that significantly impact the VIE's economic performance and the obligations to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE, the definition of primary beneficiary is met and the trusts are consolidated by the Company through its FACo and FAR subsidiaries.

Certain obligations may arise from the agreements associated with transfers of loans. Under these agreements, the Company may be obligated to repurchase the loans, or otherwise indemnify or reimburse the investor for losses incurred due to material breach of contractual representations and warranties. There were no charge-offs associated with these transferred mortgage loans related to the standard securitization representations and warranties obligations for the Successor period from April 1, 2021 to June 30, 2021 or the Predecessor period from January 1, 2021 to March 31, 2021. There were also no charge-offs associated with these transferred mortgage loans for the Predecessor periods for the three months ended June 30, 2020 or for the six months ended June 30, 2020.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The following table presents the assets and liabilities of the Company's consolidated VIEs, which are included in the Consolidated Statements of Financial Condition and excludes intercompany balances, except for retained bonds and beneficial interests (in thousands):

	June 30, 2021 <u>Successor</u>	December 31, 2020 <u>Predecessor</u>
<b>ASSETS</b>		
Restricted cash	\$ 334,984	\$ 293,580
Mortgage loans held for investment, subject to nonrecourse debt, at fair value		
2021 FASST JR1	562,333	—
2021 FASST HB1	506,482	—
2019 FASST JR2	437,641	488,760
2020 FASST HB2	397,121	398,480
2018 FASST JR1	395,716	449,069
2019 FASST JR3	370,209	450,703
2020 FASST JR3	341,385	372,015
2019 FASST JR4	331,302	377,265
2020 FASST S3	313,728	316,774
2020 FASST JR2	312,160	341,439
2019 FASST JR1	295,605	331,244
2020 FASST S2	289,129	311,721
2021 RTL1 ANTLR	234,942	—
2018 FASST JR2	234,665	264,622
2020 FASST JR4	228,248	237,100
2020 FASST S1	173,955	189,243
2020 FASST JR1	—	263,266
2020 RTL1 ANTLR	—	137,989
2018 RTL1 ANTLR	—	82,393
2019 RTL1 ANTLR	—	118,161
2020 FASST HB1	—	265,923
Other assets	76,056	79,528
<b>TOTAL ASSETS</b>	<b><u>\$ 5,835,661</u></b>	<b><u>\$ 5,769,275</u></b>
<b>LIABILITIES</b>		
Nonrecourse debt, at fair value		
2021 FASST HB1	\$ 537,618	\$ —
2021 FASST JR1	534,444	—
2020 FASST HB2	448,333	474,599
2019 FASST JR2	447,966	487,966
2018 FASST JR1	412,370	458,279
2019 FASST JR3	394,096	445,691
2020 FASST JR3	333,373	354,762
2019 FASST JR4	332,846	368,963
2019 FASST JR1	317,778	343,544
2020 FASST S2	302,253	314,144
2020 FASST S3	301,631	309,713
2020 FASST JR2	296,093	313,057
2021 RTL1 ANTLR	268,428	—
2018 FASST JR2	243,734	269,741
2020 FASST JR4	209,035	228,804
2020 FASST S1	178,704	191,189
2020 FASST JR1	—	250,988
2020 RTL1 ANTLR	—	140,839
2018 RTL1 ANTLR	—	80,767
2019 RTL1 ANTLR	—	127,981
2020 FASST HB1	—	298,914
Payables and other liabilities	117	291
<b>TOTAL VIE LIABILITIES</b>	<b><u>5,558,819</u></b>	<b><u>5,460,232</u></b>
Retained bonds and beneficial interests eliminated in consolidation	(198,099)	(202,187)
<b>TOTAL CONSOLIDATED LIABILITIES</b>	<b><u>\$ 5,360,720</u></b>	<b><u>\$ 5,258,045</u></b>

## [Table of Contents](#)

### FAM

FAM securitizes certain of its interests in agency-eligible residential mortgage loans. The transaction provides investors with the ability to invest in a pool of mortgage loans secured by one-to-four-family residential properties and provides FAM with access to liquidity for these assets and ongoing servicing fees. The principal and interest on the outstanding certificates are paid using the cash flows from the underlying mortgage loans, which serve as collateral for the debt. In May 2021, FAM established the Hundred Acre Wood Trust 2021-INV1 (“HAWT 2021-INV1”) trust for the sole purpose of acquiring mortgage loans for securitization. In June 2021, FAM executed the HAWT 2021-INV1 securitization, where FAM’s beneficial interest in the securitization is limited to its U.S. Risk Retention Certificates, a 5% eligible vertical interest in the Trust. The Company determined that the securitization structure meets the definition of a VIE and concluded that the Company does not hold a significant variable interest in the securitization and that the contractual role as servicer is not a variable interest and does not give the Company the power to direct the activities that most significantly affect the economic performance of the VIE. The transfer of the loans to the VIE was determined to be a sale. The Company derecognized the mortgage loans and did not consolidate the trust.

FAM’s continuing involvement with and exposure to loss from the VIE includes the carrying value of the retained bond, the servicing asset recognized in the sale of the loans, servicing advances in the role as servicer, and obligations under representations and warranties contained in the loan sale agreements. Creditors of the VIE have no recourse to FAM’s assets or general credit. The underlying performance of the mortgage loans transferred has a direct impact on the fair values and cash flows of the beneficial interests held and the servicing asset recognized.

As of June 30, 2021 (Successor), the interests retained upon transfer of the mortgage loans consisted of an interest in each class of securities issued by the VIE and had an initial fair value of \$15.7 million. The servicing asset recognized upon sale of the mortgage loans to the VIE had an initial fair value of \$1.1 million. Cash proceeds from the securitization were \$299.0 million. The Company recorded a gain on sale on the securitization of \$12.5 million.

The following table presents a summary of the outstanding collateral and certificate balances for securitization trusts for which the Company was the transferor and that were not consolidated by the Company:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>Successor</u>	<u>Predecessor</u>
<b>Unconsolidated Securitization Trusts:</b>		
Total collateral balances – UPB	\$ 300,318	\$—
Total certificate balances	<u>\$ 300,047</u>	<u>\$—</u>

As of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), there were \$0.1 million of mortgage loans transferred by the Company to unconsolidated securitization trusts that are 60 days or less past due.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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**4. Acquisitions**

On October 12, 2020, the Company, Replay and FoA Equity entered into a Transaction Agreement (the "Transaction Agreement") pursuant to which Replay agreed to combine with FoA Equity in a series of transactions that resulted in the Company becoming a publicly-traded company on the New York Stock Exchange ("NYSE") and controlling FoA Equity in an "UP-C" structure. At the Closing on April 1, 2021, Replay domesticated into a Delaware corporation, and the Company was formed. Following the Closing, the public investors hold Class A Common Stock representing approximately a 31.3% economic interest, and BTO Urban Holdings L.L.C., a Delaware limited liability company ("BTO Urban"), Blackstone Family Tactical Opportunities Investment Partnership – NQ – ESC L.P., a Delaware limited partnership ("ESC"), Libman Family Holdings LLC, a Connecticut limited liability company ("Family Holdings"), The Mortgage Opportunity Group LLC, a Connecticut limited liability company ("TMO"), L and TF, LLC, a North Carolina limited liability company ("L&TF"), UFG Management Holdings LLC, a Delaware limited liability company ("Management Holdings"), and Joe Cayre (each of BTO Urban, ESC, Family Holdings, TMO, L&TF, Management Holdings and Joe Cayre, a "Seller" and, collectively, the "Sellers" or the "Continuing Unitholders") retain a 68.7% economic interest in FoA Equity in the form of Class A LLC Units. Additionally, the Company issued to the Continuing Unitholders shares of Class B Common Stock, which have no economic rights but entitle each holder to a number of votes that is equal to the aggregate number of Class A LLC Units held by such holder on all matters on which shareholders of the Company are entitled to vote generally. Subsequent to the Closing, the Company controls FoA Equity as the sole appointer of the board of managers and is a holding company with no assets or operations other than its equity interest in FoA Equity.

The Business Combination was accounted for using the acquisition method with the Company as the accounting acquirer. Under the acquisition method of accounting, the Company's assets and liabilities were recorded at carrying value, and the assets and liabilities associated with FoA Equity were recorded at estimated fair value as of the Closing Date. The excess of the purchase price over the estimated fair values of the net assets acquired was recognized as goodwill. For accounting purposes, the acquirer is the entity that has obtained control of another entity and, thus, consummated a business combination. The determination of whether control has been obtained begins with the evaluation of whether control should be evaluated based on the variable interest or voting interest model. If the acquiree is a variable interest entity, the primary beneficiary would be the accounting acquirer. FoA Equity met the definition of a variable interest entity, and the Company was determined to be the primary beneficiary.

As a result of the Business Combination, the Company's financial statement presentation distinguishes FoA Equity as the "Predecessor" through the Closing Date. FoA is the "Successor" for periods after the Closing Date. As a result of the application of the acquisition method of accounting in the Successor period, the consolidated financial statements for the Successor period are presented on a full step-up basis, and are therefore not comparable to the consolidated financial statements of the Predecessor period that are not presented on the same full step-up basis.

The consolidated financial statements will not be retrospectively adjusted for any provisional amount changes that occur in subsequent periods. Rather, any provisional amount adjustments will be recognized during the reporting period in which the adjustments are determined. The Company will also be required to record, in the same period's consolidated financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of any change to the provisional amounts, calculated as if the accounting had been completed at the Closing Date. The purchase price allocation, while provisional, has been substantially completed. The allocation will be finalized as soon as practicable, but no later than one year from the Closing Date. The following table summarizes the provisional estimated fair value of consideration transferred, noncontrolling interest equity value, assets acquired and liabilities assumed in conjunction with the Business Combination (in thousands):

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

<b>Consideration transferred:</b>	
Total cash consideration	\$ 342,270
Blocker rollover equity	221,811
Seller earnout contingent consideration <sup>(1)</sup>	160,272
Tax receivable agreement obligations to the seller	31,950
Total consideration transferred	756,303
Noncontrolling interest	1,658,545
Total equity value	<u>\$2,414,848</u>
<b>Assets acquired:</b>	
Cash and cash equivalents	\$ 336,075
Restricted cash	305,292
Reverse mortgage loans held for investment, subject to HMBS related obligations, at fair value	10,071,192
Mortgage loans held for investment, subject to nonrecourse debt, at fair value	5,291,443
Mortgage loans held for investment, at fair value	1,100,544
Mortgage loans held for sale, at fair value	2,140,361
Debt securities	9,230
Mortgage servicing rights, at fair value	267,364
Derivative assets	116,479
Fixed assets and leasehold improvements, net	26,079
Intangible assets, net <sup>(2)</sup>	717,700
Other assets, net	279,155
<b>Total assets acquired</b>	<u>\$ 20,660,914</u>
<b>Liabilities assumed:</b>	
HMBS related obligations, at fair value	\$ 9,926,131
Nonrecourse debt, at fair value	5,227,942
Other financing lines of credit	3,340,345
Payables and other liabilities	669,048
Notes payable, net	353,924
<b>Total liabilities assumed</b>	<u>\$ 19,517,390</u>
<b>Net identifiable assets acquired</b>	<u>1,143,524</u>
<b>Goodwill <sup>(3)</sup></b>	<u>\$ 1,271,324</u>

- (1) Represents the estimated fair market value of earnout shares issued to Sellers, which will be settled with shares of Class A Common Stock and is accounted for as equity classified contingent consideration. These estimated fair values are preliminary and subject to adjustments in subsequent periods.
- (2) Intangible assets were identified that met either the separability criterion or contractual legal criterion. The evaluations of the facts and circumstances available as of April 1, 2021, to assign provisional fair values to assets acquired and liabilities assumed are ongoing, including the assessments of the economic characteristics of intangible assets. These evaluations may result in changes to the provisional amounts recorded based on third-party valuations performed. The indefinite lived trade names and definite lived trade names intangible assets represent the values of all the Company's trade names. The broker/customer relationships intangible asset represents the existing broker/customer relationships.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

<u>Identifiable intangible assets</u>	<u>Provisional Fair value (in thousands)</u>	<u>Provisional Useful life (in years)</u>
Indefinite lived trade names	\$ 178,000	N/A
Definite lived trade names	8,800	10
Broker/customer relationships	530,900	8-15
Total	<u>\$ 717,700</u>	

- (3) Goodwill represents the excess of the gross consideration transferred over the provisional fair value of the underlying net tangible and identifiable intangible assets acquired. Goodwill represents future economic benefits arising from acquiring FoA Equity, primarily due to its strong market position and its assembled workforce that are not individually identified and separately recognized as intangible assets. Approximately \$85.2 million of the goodwill recognized is expected to be deductible for income tax purposes.

There were certain transaction expenses contingent on the Closing (i.e. thechange-in-control event). Given these expenses were triggered by the successful Closing of the Business Combination, the payment of \$5.0 million is considered to have been incurred “on the line”, i.e., these expenses are not presented in either the predecessor or successor periods.

The following unaudited pro forma financial information presents the results of operations as if the Business Combination had occurred on January 1, 2020. The unaudited pro forma results may not necessarily reflect the actual results of operations that would have been achieved nor are they necessarily indicative of future results of operations.

<i>(in thousands)</i>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Pro forma revenues	\$ 387,014	\$ 454,249	\$895,203
Pro forma net income	19,672	100,413	111,055	7,121
Pro forma net income attributable to controlling interest	6,748	27,492	37,734	12,985
Pro forma net income (loss) attributable to noncontrolling interest	12,924	72,921	73,321	(5,864)

***Renovate America Inc.***

On March 26, 2021, in order to expand its product base to home improvement loans, the Company acquired certain assets and operations of Renovate America Inc. (“RAI”), that constitute a business for purposes of ASC 805, in a business combination for \$43.5 million predominantly paid in cash at closing. A fair value estimate of \$36.0 million in net assets were acquired with the purchase, consisting primarily of purchased loans, with the remaining \$7.5 million of the purchase price being allocated to goodwill.

***Parkside***

On May 14, 2021, in order to further strengthen its position in the wholesale mortgage originations, the Company acquired certain assets and operations of Parkside Lending, LLC (“Parkside”), that constitute a business for purposes of ASC 805, in a business combination for \$20.0 million cash paid at closing. The Company acquired certain key contracts and real property leases, as well as proprietary materials, intellectual property, and workforce. In addition to the initial cash purchase price, an earnout liability of \$7.0 million was recorded for future contingent consideration payments that are tied to Parkside achieving certain specified profitability metrics, with the offset allocated to goodwill. The total amount of cash consideration and earnout liability of \$27.0 million have been allocated to goodwill.

The RAI and Parkside transactions will be accounted for using the acquisition method. Under the acquisition method of accounting, RAI and Parkside’s assets and liabilities will be recorded at estimated fair value as of the acquisition dates with the excess of the purchase prices over the estimated fair values of the net assets acquired, if applicable, recognized as goodwill. Additional disclosures required by ASC 805 with respect to the RAI and Parkside acquisitions have been omitted because the information is immaterial to the financial statements.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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**5. Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on the assumptions market participants would use when pricing an asset or liability and follows a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices available in active markets (i.e., observable inputs) and the lowest priority to data lacking transparency (i.e., unobservable inputs). In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

All aspects of nonperformance risk, including the Company's own credit standing, are considered when measuring the fair value of a liability.

Following is a description of the three levels:

Level 1 Inputs: Quoted prices for identical instruments in active markets.

Level 2 Inputs: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs: Instruments with unobservable inputs that are significant to the fair value measurement.

The Company classifies assets in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the hierarchy for the Successor period from April 1, 2021 to June 30, 2021 or for the Predecessor period from January 1, 2021 to March 31, 2021. There were no transfers for the Predecessor for the three months ended and six months ended June 30, 2020.

Following are descriptions of the valuation methodologies used to measure material assets and liabilities at fair value and the details of the valuation models, key inputs to those models and significant assumptions utilized. Within the assumption tables presented, not meaningful ("NM") refers to a range of inputs that is too broad to provide meaningful information to the user or to an input that has no range and consists of a single data point.

***Reverse Mortgage Loans Held for Investment, Subject to HMBS Related Obligations, at Fair Value***

HECM loans securitized into Ginnie Mae ("GNMA") HMBS are not actively traded in open markets with readily observable market prices.

The Company values HECM loans securitized into GNMA HMBS utilizing a present value methodology that discounts estimated projected cash flows over the life of the loan portfolio using prepayment, borrower mortality, borrower draw and discounts rate assumptions management believes a market participant would use in estimating fair value. The significant unobservable inputs used in the measurement include:

Conditional Repayment Rate—The Company projects borrower prepayment rates which considers borrower age and gender and is based on historical termination rates. The outputs of borrower prepayment rates, which include both voluntary and involuntary prepayments, are utilized to anticipate future terminations.

Loss Frequency and Severity—Termination proceeds are adjusted for expected loss frequencies and severities to arrive at net proceeds that will be provided upon final resolution. Loss frequency and severity represent the frequency of losses and the losses associated with loans that are liquidated through a foreclosure sale, net of claim proceeds. Historical experience is utilized to estimate the loss rates resulting from scenarios where FHA insurance proceeds are not expected to cover all principal and interest outstanding and, as servicer, the Company is exposed to losses upon resolution of the loan. Loss frequency and severity are based upon the historical experience with specific loan resolution waterfalls.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**Due and Payable Triggers**—The input for terminations not attributable to an FHA assignment is based on historical foreclosure and liquidation experience.

**Discount Rate**—derived based upon reference to yields required by market participants for recent transactions in the HECM loan bulk market adjusted based upon weighted average life of the loan portfolio. This rate reflects what the Company believes to be a market participant’s required yield on HECM loans of similar weighted average lives. The yield spread is applied over an interpolated benchmark curve or as a spread over a collateral forward curve.

**Average Draw Rates**—The draw curve is estimated based upon the historical experience with the specific product type contemplating the borrower’s age and loan age.

Changes to any of these assumptions could result in significantly different valuation results. The Company classifies reverse mortgage loans held for investment as Level 3 assets within the GAAP hierarchy, as they are dependent on unobservable inputs.

The following table presents the weighted average significant unobservable inputs used in the fair value measurement of reverse mortgage loans held for investment, subject to HMBS related obligations, for the periods indicated:

	<u>June 30, 2021</u>		<u>December 31, 2020</u>	
	<u>Predecessor</u>		<u>Successor</u>	
	<u>Range of Input</u>	<u>Weighted Average of Input</u>	<u>Range of Input</u>	<u>Weighted Average of Input</u>
Conditional repayment rate	NM	20.3%	NM	20.0%
Loss frequency	NM	4.3%	NM	4.4%
Loss severity	4.9% - 11.7%	5.2%	5.1% - 13.3%	5.4%
Discount rate	NM	1.9%	NM	1.6%
Average draw rate	NM	1.1%	NM	1.1%

The Company aggregates loan portfolios based upon the underlying securitization trust and values these loans using these aggregated pools. The range of inputs provided above are based upon the range of inputs utilized for each securitization trust.

***Mortgage Loans Held for Investment, Subject to Nonrecourse Debt, at Fair Value***

***Reverse Mortgage Loans***

Reverse mortgage loans held for investment, subject to nonrecourse debt, include HECM loans previously purchased out of GNMA HMBS pools and non FHA-insured jumbo reverse mortgages, which have been subsequently securitized and serve as collateral for the issued debt. These loans are not traded in active and open markets with readily observable market prices. The Company classifies reverse mortgage loans held for investment, subject to nonrecourse debt as Level 3 assets within the GAAP hierarchy.

**HECM Buyouts—Securitized (Nonperforming)**

The Company values nonperforming securitized HECM buyouts utilizing a present value methodology that discounts estimated projected cash flows over the life of the portfolio using conditional repayment, loss frequency and severity, borrower mortality, and discount rate assumptions management believes a market participant would use in estimating fair value.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The following table presents the weighted average significant unobservable inputs used in the fair value measurement of nonperforming securitized HECM buyouts for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Conditional repayment rate	NM	40.6%	NM	42.9%
Loss frequency	25.0% - 100.0%	52.5%	25.0% - 100.0%	54.8%
Loss severity	4.9% - 11.7%	7.0%	5.1% - 13.3%	7.5%
Discount rate	NM	3.6%	NM	4.1%

The Company aggregates loan portfolios based upon the underlying securitization trust and values these loans using these aggregated pools. The range of inputs provided above are based upon the range of inputs utilized for each securitization trust.

HECM Buyouts—Securitized (Performing)

The Company values performing securitized HECM buyouts utilizing a present value methodology that discounts estimated projected cash flows over the life of the portfolio using conditional repayment, loss frequency and severity, borrower mortality, and discount rate assumptions management believes a market participant would use in estimating fair value.

The following table presents the weighted average significant unobservable inputs used in the fair value measurement of performing securitized HECM buyouts for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Weighted average remaining life in years	NM	8.7	NM	8.5
Conditional repayment rate	NM	13.7%	NM	14.7%
Loss severity	4.9% - 11.7%	8.6%	5.1% - 13.3%	7.7%
Discount rate	NM	3.4%	NM	3.5%

The Company aggregates loan portfolios based upon the underlying securitization trust and values these loans using these aggregated pools. The range of inputs provided above are based upon the range of inputs utilized for each securitization trust.

Non-Agency Reverse Mortgage—Securitized

The Company values securitized non-agency reverse mortgage loans utilizing a present value methodology that discounts estimated projected cash flows over the life of the loan portfolio using loan to value, repayment, pool-level losses, home price appreciation, and discount rate assumptions. The following table presents the significant unobservable inputs used in the fair value measurements of non-agency reverse mortgage loans for the periods indicated:

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Weighted-average remaining life in years	NM	7.1	NM	6.9
Loan to value	0.1% - 75.7%	50.0%	9.0% - 73.1%	48.2%
Conditional repayment rate	NM	19.2%	NM	18.7%
Loss severity	NM	10.0%	NM	10.0%
Home price appreciation	3.9% - 8.8%	5.9%	1.1% - 8.9%	5.6%
Discount rate	NM	3.7%	NM	3.6%

The Company aggregates loan portfolios based upon the underlying securitization trust and values these loans using these aggregated pools. The range of inputs provided above are based upon the range of inputs utilized for each securitization trust.

*Commercial Mortgage Loans*

Fix & Flip—Securitized

The securitized Fix & Flip loans are short-term loans for individual real estate investors, with terms ranging from 9-18 months. This product is valued using a discounted cash flow model. The Company classifies these mortgage loans as Level 3 assets within the GAAP hierarchy.

The Company utilized the following weighted average assumptions in estimating the fair value of securitized Fix & Flip mortgage loans for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Prepayment rate (SMM)	NM	15.3%	NM	17.1%
Discount rate	5.1% - 10.0%	5.1%	6.7% - 10.0%	6.7%
Loss frequency	0.3% - 77.2%	0.7%	0.2% - 44.0%	0.6%

The Company aggregates loan portfolios based upon the underlying securitization trust and values these loans using these aggregated pools. The range of inputs provided above are based upon the range of inputs utilized for each securitization trust.

*Mortgage Loans Held for Investment, at Fair Value*

*Reverse Mortgage Loans*

Reverse mortgage loans held for investment, at fair value, consists of originated or purchased HECM and non-agency reverse mortgage loans not yet securitized, unsecuritized tails, and certain HECMs purchased out of GNMA HMBS (“Inventory Buyouts”) that the Company intends to securitize for purposes of serving as collateral for future securitization transfers.

Originated or purchased HECM loans held for investment are valued predominantly by utilizing forward HMBS prices for similar pool characteristics and based on observable market data. These amounts are further adjusted to include future cash flows that would be earned for servicing the HECM loan over the life of the asset.

Unsecuritized tails consists of performing and nonperforming repurchased loans. The fair value of performing unsecuritized tails are valued at current pricing levels for similar GNMA HMBS. The fair value of nonperforming unsecuritized tails is based on expected claim proceeds from the Department of Housing and Urban Development (“HUD”) upon assignment of the loans.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The fair value of repurchased loans is based on expected cash proceeds of the liquidation of the underlying properties and expected claim proceeds from HUD. The primary assumptions utilized in valuing nonperforming repurchased loans include loss frequency and loss severity. Termination proceeds are adjusted for expected loss frequencies and severities to arrive at net proceeds that will be provided upon final resolution, including assignments to FHA. Historical experience is utilized to estimate the loss rates resulting from scenarios where FHA insurance proceeds are not expected to cover all principal and interest outstanding and as servicer, the Company is exposed to losses upon resolution of the loan.

The Company classifies reverse mortgage loans held for investment, at fair value as Level 3 assets within the GAAP hierarchy.

Inventory Buyouts

The fair value of Inventory Buyouts is based on the expected cash proceeds of the liquidation of the underlying properties and expected claim proceeds from HUD. The primary assumptions utilized in valuing Inventory Buyouts include loss frequency and loss severity. Termination proceeds are adjusted for expected loss frequencies and severities to arrive at net proceeds that will be provided upon final resolution, including assignments to FHA. Historical experience is utilized to estimate the loss rates resulting from scenarios where FHA insurance proceeds are not expected to cover all principal and interest outstanding and as servicer, the Company is exposed to losses upon resolution of the loan.

The Company values Inventory Buyouts utilizing a present value methodology that discounts estimated projected cash flows over the life of the portfolio using conditional repayment, loss frequency and severity, borrower mortality, and discount rate assumptions management believes a market participant would use in estimating fair value.

The following table presents the weighted average significant unobservable inputs used in the fair value measurement of Inventory Buyouts classified as reverse mortgage loans held for investment for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Conditional repayment rate	NM	45.8%	NM	44.0%
Loss frequency	NM	53.6%	NM	46.9%
Loss severity	NM	9.4%	NM	10.5%
Discount rate	NM	3.6%	NM	4.1%

Non-Agency Reverse Mortgage Loans

The fair value of non-agency reverse mortgage loans is based on values for investments with similar investment grade ratings and the value the Company would expect to receive if the whole loans were sold to an investor.

The Company values non-agency reverse mortgage loans utilizing a present value methodology that discounts estimated projected cash flows over the life of the loan portfolio using prepayment, home price appreciation, pool-level losses, cost to service, and discount rates.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The following table presents the weighted average significant unobservable inputs used in the fair value measurement of non-agency reverse mortgage loans classified as reverse mortgage loans held for investment for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Weighted-average remaining life in years	NM	8.0	NM	8.0
Loan to value	0.4% - 62.8%	44.6%	0.1% - 62.1%	44.0%
Conditional repayment rate	NM	16.9%	NM	16.8%
Loss severity	NM	10.0%	NM	10.0%
Home price appreciation	3.9% - 8.8%	5.9%	1.1% - 8.9%	5.5%
Discount rate	NM	3.7%	NM	3.6%

*Commercial Mortgage Loans*

Fix & Flip

The Fix & Flip loans are short-term loans for individual real estate investors, with terms ranging from 9—18 months. This product is valued using a discounted cash flow model. The Company classifies these mortgage loans as Level 3 assets within the GAAP hierarchy.

The Company utilized the following weighted average assumptions in estimating the fair value of Fix & Flip mortgage loans for the periods indicated:

	June 30, 2021	
	Successor	
	Range of Input	Weighted Average of Input
Prepayment rate (SMM)	NM	12.5%
Discount rate	NM	5.4%
Loss frequency	NM	0.4%

As of March 2021, management made the decision to change the classification of fix & flip loans from mortgage loans held for sale, at fair value, to mortgage loans held for investment, at fair value.

Agricultural Loans

The agricultural loans are government-insured loans made to farmers to fund their inputs and operating expenses for the upcoming growing season with terms ranging from 7—17 months. The product is valued using a discounted cash flow model. The Company classifies these mortgage loans as Level 3 assets within the GAAP hierarchy.

The Company utilized the following assumptions in estimating the fair value of agricultural loans for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Discount rate	NM	4.7%	NM	6.4%
Prepayment rate (SMM)	10.0% - 100.0%	28.3%	0% - 1.0%	0.7%
Default rate (CDR)	NM	1.0%	0% - 2.0%	0.4%

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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***Mortgage Loans Held for Sale, at Fair Value***

*Reverse Mortgage Loans*

Reverse mortgage loans held for sale, at fair value, consists of unpoolable loans that the Company intends to sell to third party investors. Reverse mortgage loans held for sale consists primarily of performing repurchased loans. The fair value of performing unpoolable loans is based on expected claim proceeds from HUD upon assignment of the loans. In certain instances the loan balance may exceed the maximum claim amount (“MCA”). In these instances, the fair value is based on expected proceeds from sale of the underlying property and any additional HUD claim proceeds. The Company classifies reverse mortgage loans held for sale as Level 3 assets within the GAAP hierarchy.

*Residential and Commercial Mortgage Loans*

Mortgage loans held for sale include residential and commercial mortgage loans originated by the Company and held until sold to secondary market investors. The Company primarily originates conventional GSEs and government (FHA and Department of Veterans Affairs) residential mortgage loans (collectively “residential mortgage loans held for sale”) and recourse and nonrecourse commercial mortgage loans to owners and investors of single and multi-family residential rental properties (“commercial loans held for sale”).

Residential Mortgage Loans

The Company originates or purchases mortgage loans in the U.S. that it intends to sell to FNMA, FHLMC, and GNMA (collectively “the Agencies”). Additionally, the Company originates or purchases mortgage loans in the U.S. that it intends to sell into the secondary markets via whole loan sales. Mortgage loans held for sale are typically pooled and sold into certain exit markets, depending upon underlying attributes of the loan, such as agency eligibility, product type, interest rate, and credit quality. In addition, the Company may originate loans that do not meet specific underwriting criteria and are not eligible to be sold to the Agencies. Two valuation methodologies are used to determine the fair value of mortgage loans held for sale. The methodology used depends on the exit market as described below:

*Loans valued using observable market prices for identical or similar assets*—This includes all mortgage loans that can be sold to the Agencies, which are valued predominantly by published forward agency prices. This will also include all non-agency loans where recently negotiated market prices for the loan pool exist with a counterparty (which approximates fair value), or quoted market prices for similar loans are available. As these valuations are derived from quoted market prices, the Company classified these valuations as Level 2 in the fair value disclosures. During periods of illiquidity of the mortgage marketplace, it may be necessary to look for alternative sources of value, including the whole loan purchase market for similar loans, and place more reliance on the valuations using internal models. Due to limited sales activity and periodically unobservable prices in certain of the Company’s markets, certain mortgage loans held for sale portfolios may transfer from Level 2 to Level 3 in future periods.

*Loans valued using internal models* – To the extent observable market prices are not available, the Company will determine the fair value of mortgage loans held for sale using a collateral based valuation model, which approximates expected cash proceeds on liquidation. For loans where bid prices or commitment prices are unavailable, these valuation models estimate the exit price the Company expects to receive in the loan’s principal market and are based on a combination of recent appraisal values, adjusted for certain loss factors. The Company classifies these valuations as Level 3 in the fair value disclosures.

Commercial Mortgage Loans

The Company primarily originates two separate commercial loan products that it classifies as held for sale: Single Rental Loan (“SRL”) and Portfolio Lending.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

SRL

The SRL product is designed for small/individual real estate investors looking to purchase and then rent-out a single property. These are 30-year loans with fixed interest rates typically between 5.0%—8.0%. This product is valued using a discounted cash flow model. The Company classifies these mortgage loans as Level 3 assets within the GAAP hierarchy.

The Company utilized the following weighted average assumptions in estimating the fair value of SRL mortgage loans held for sale for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Prepayment rate (CPR)	1.0% - 17.0%	14.0%	1.0% - 17.1%	15.4%
Discount rate	NM	3.3%	NM	5.0%
Default rate (CDR)	1.0% - 54.0%	2.4%	1.0% - 64.9%	3.6%

Portfolio Lending

The Portfolio product is designed for larger investors with multiple properties. Specifically, these loans are useful for consolidating multiple rental property mortgages into a single loan. These loans have fixed coupons that typically range from 5.0%—6.2%, with 5 and 10-year balloon structures, as well as a 30 year structure. This product is valued using a discounted cash flow model. The Company classifies these mortgage loans as Level 3 assets within the GAAP hierarchy.

The Company utilized the following weighted average assumptions in estimating the fair value of Portfolio mortgage loans held for sale for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Prepayment rate (CPR)	0.0% - 14.8%	8.1%	0% - 15.0%	9.3%
Discount rate	NM	3.8%	NM	4.9%
Default rate (CDR)	1.0% - 27.1%	1.7%	1.0% - 42.7%	2.0%

Fix & Flip

The Fix & Flip loans are short-term loans for individual real estate investors, with terms ranging from 9-18 months. This product is valued using a discounted cash flow model. The Company classifies these mortgage loans as Level 3 assets within the GAAP hierarchy.

The Company utilized the following weighted average assumptions in estimating the fair value of fix & flip mortgage loans for the periods indicated:

	December 31, 2020	
	Predecessor	
	Range of Input	Weighted Average of Input
Prepayment rate (SMM)	NM	12.4%
Discount rate	6.7% - 10.0%	7.2%
Loss frequency	NM	0.8%

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

As of March 2021, management made the decision to change the classification of fix & flip loans from mortgage loans held for sale, at fair value, to mortgage loans held for investment, at fair value.

**Mortgage Servicing Rights (FAM)**

As of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), the Company valued mortgage servicing rights internally. The significant assumptions utilized to determine fair value are projected prepayments using the Public Securities Association Standard Prepayment Model, discount rates, and projected servicing costs that vary based on the loan type and delinquency. The Company classifies these valuations as Level 3 since they are dependent on unobservable inputs.

Fair value is derived through a discounted cash flow analysis and calculated using a computer pricing model. This computer valuation is based on the objective characteristics of the portfolio (loan amount, note rate, etc.) and commonly used industry assumptions (PSAs, etc.). The assumptions taken into account by the pricing model are those which many active purchasers of servicing employ in their evaluations of portfolios for sale in the secondary market. The unique characteristics of the secondary servicing market often dictate adjustments to parameters over short periods of time.

Subjective factors are also considered in the derivation of fair values, including levels of supply and demand for servicing, interest rate trends, and perception of risk not incorporated into prepayment assumptions.

Fair value is defined as the estimated price at which the servicing rights would change hands in the marketplace between a willing buyer and seller. The valuation assumes that neither party would be under any compulsion to buy or sell and that each has reasonably complete and accurate knowledge of all relevant aspects of the offered servicing. The fair values represented in this analysis have been derived under the assumptions that sufficient time would be available to market the portfolio.

The following tables summarize certain information regarding the servicing portfolio of retained MSR for the periods indicated:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>Successor</u>	<u>Predecessor</u>
Capitalization servicing rate	1.0%	0.8%
Capitalization servicing multiple	3.8	3.2
Weighted-average servicing fee (in basis points)	25	25

The significant assumptions used in estimating the fair value of MSR were as follows (in annual rates):

	<u>June 30, 2021</u>		<u>December 31, 2020</u>	
	<u>Successor</u>		<u>Predecessor</u>	
	<u>Range of Input</u>	<u>Weighted Average of Input</u>	<u>Range of Input</u>	<u>Weighted Average of Input</u>
Weighted average prepayment speed (CPR)	5.7% - 19.9%	10.1%	6.6% - 24.9%	12.1%
Discount rate	NM	10.4%	NM	12.1%
Weighted average delinquency rate	1.2% - 9.1%	1.3%	1.2% - 9.2%	1.3%

The following table summarizes the estimated change in the fair value of MSR from adverse changes in the significant assumptions (in thousands):

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	June 30, 2021		
	Weighted Average Prepayment Speed	Successor Discount Rate	Weighted Average Delinquency Rate
Impact on fair value of 10% adverse change	\$ (10,734)	\$(10,921)	\$ (138)
Impact on fair value of 20% adverse change	(20,763)	(21,093)	(348)

These sensitivities are hypothetical and should be evaluated with care. The effect on fair value of a 10% variation in assumptions generally cannot be determined because the relationship of the change in assumptions to the fair value may not be linear. Additionally, the impact of a variation in a particular assumption on the fair value is calculated while holding other assumptions constant. In reality, changes in one factor may lead to changes in other factors, which could impact the above hypothetical effects.

***Investments, at Fair Value***

The Company invests in the equity of other companies in the form of common stock, preferred stock, or other-in-substance equity interests. To the extent market prices are not observable, the Company engages third-party valuation experts to assist in determining the fair value of these investments. The values are determined utilizing a market approach which estimates fair value based on what other participants in the market have paid for reasonably similar assets that have been sold within a reasonable period from the valuation date. The Company classifies these valuations as Level 3 in the fair value disclosures.

***Derivative Assets and Liabilities***

Some of the derivatives held by the Company are exchange-traded or traded within highly active dealer markets. In order to determine the fair value of these instruments, the Company utilizes the exchange price or dealer market price for the particular derivative contract; therefore, these contracts are classified as Level 1. In addition, the Company enters into IRLCs with prospective borrowers. Commitments to fund residential mortgage loans with potential borrowers are a binding agreement to lend funds to these potential borrowers at a specified interest rate within a specified period of time. The fair value of IRLCs is derived from the fair value of similar mortgage loans or bonds, which is based on observable market data. Changes to the fair value of IRLCs are recognized based on changes in interest rates, changes in the probability that the commitment will be exercised (pull through factor), and the passage of time. The expected net future cash flows related to the associated servicing of the loan are included in the fair value measurement of IRLCs. The Company adjusts the outstanding IRLCs with prospective borrowers based on an expectation that it will be exercised and the loan will be funded. Given the unobservable nature of the pull through factor, IRLCs are classified as Level 3.

In addition, the Company executes derivative contracts, including forward commitments, TBAs, interest rate swaps, and interest rate swap futures, as part of its overall risk management strategy related to its reverse mortgage and commercial loan portfolios. The value of the forward commitments is estimated using current market prices for HMBS and are considered Level 3 in the fair value hierarchy. TBAs are valued based on forward dealer marks from the Company's approved counterparties and are considered Level 2 in the fair value hierarchy. The value of interest rate swaps and interest rate swap futures is based on the exchange price or dealer market prices. The Company classifies interest rate swaps as Level 2 in the fair value hierarchy. The Company classifies interest rate swap futures as Level 1 in the fair value hierarchy. The value of the forward MBS is based on forward prices with dealers in such securities or internally-developed third party models utilizing observable market inputs. The Company classifies forward MBS as Level 2 in the fair value hierarchy.

***HMBS Related Obligations, at Fair Value***

The HMBS related obligation valuation considers the obligation to pass FHA insured cash flows through to the beneficial interest holders (repayment of secured borrowing) of the HMBS securities and the servicer and issuer obligations of the Company.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The valuation of the obligation to repay the secured borrowing is estimated using Level 3 unobservable market inputs. The estimated fair value is based on the net present value of projected cash flows over the estimated life of the liability. The estimated fair value of the HMBS related obligations also includes the consideration required by a market participant to transfer the HECM and HMBS servicing obligations including exposure resulting from shortfalls in FHA insurance proceeds.

The Company's valuation considers assumptions that it believes a market participant would consider in valuing the liability, including, but not limited to, assumptions for repayment, costs to transfer servicing obligations, shortfalls in FHA insurance proceeds, and discount rates. The significant unobservable inputs used in the measurement include:

Borrower Repayment Rates—the conditional repayment rate curve considers borrower age and gender is based on historical termination rates.

Discount Rate—derived based on an assessment of current market yields and spreads that a market participant would consider for entering into an obligation to pass FHA insured cash flows through to holders of the HMBS beneficial interests. Yield spread applied over interpolated benchmark curve or as a spread over collateral forward curve.

The following table presents the weighted average significant unobservable inputs used in the fair value measurement of HMBS related obligations for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Conditional repayment rate	NM	20.2%	NM	19.9%
Discount rate	NM	1.7%	NM	1.4%

***Nonrecourse Debt***

*Reverse Mortgage Loans*

Outstanding notes issued that are securitized by nonrecourse debt are paid using the cash flows from the underlying reverse mortgage loans, which serve as collateral for the debt. Nonrecourse debt is estimated using Level 3 unobservable market inputs. The estimated fair value is based on the net present value of projected cash flows over the estimated life of the liability. The significant unobservable inputs used in the measurement include:

Weighted Average Remaining Life—The projected remaining life is based on the expected conditional prepayment rate, which is utilized to determine future terminations.

Borrower Repayment Rates—The conditional repayment rate curve considers borrower age and gender is based on historical termination rates.

Discount Rate—derived based on an assessment of current market yields and spreads that a market participant would consider for entering into an obligation to pass FHA insured cash flows through to holders of the HMBS beneficial interests. Yield spread applied over interpolated benchmark curve or as a spread over collateral forward curve.

The Company's valuation considers assumptions that it believes a market participant would consider in valuing the liability, including, but not limited to, assumptions for prepayment and discount rates. The following table presents the weighted average significant unobservable inputs used in the fair value measurements of nonrecourse debt for the periods indicated:

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
<b>Performing/Nonperforming HECM securitizations</b>				
Weighted-average remaining life (in years)	0.6 - 1.2	0.9	0.2 - 1.5	1.0
Conditional repayment rate	19.6% - 29.1%	23.9%	34.3% - 56.3%	42.8%
Discount rate	NM	2.1%	NM	3.1%
<b>Securitized Non-Agency Reverse</b>				
Weighted-average remaining life (in years)	1.3 - 2.1	1.9	0.3 - 2.7	2.1
Conditional repayment rate	20.6% - 31.2%	25.6%	19.6% - 35.8%	23.9%
Discount rate	NM	2.0%	NM	2.2%

*Commercial Mortgage Loans*

Outstanding nonrecourse notes issued that are securitized by loans held for investment, subject to nonrecourse debt, are paid using the cash flows from the underlying mortgage loans. The fair value of nonrecourse debt is estimated using Level 3 unobservable market inputs. The estimated fair value is based on the net present value of projected cash flows over the estimated life of the liability.

The Company's valuation considers assumptions that it believes a market participant would consider in valuing the liability, including, but not limited to, assumptions for prepayment and discount rates. The Company estimates prepayment speeds giving consideration that the Company may in the future transfer additional loans to the trust, subject to the availability of funds provided for within the trust. The following table presents the significant unobservable inputs used in the fair value measurements of nonrecourse debt for the periods indicated:

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
<b>Nonrecourse debt</b>				
Weighted-average remaining life (in months)	NM	3.8	1.9 - 4.1	3.4
Weighted-average prepayment speed (SMM)	NM	17.1%	17.7% - 32.0%	21.4%
Discount rate	NM	2.5%	NM	5.8%

*Deferred Purchase Price Liabilities*

Deferred purchase price liabilities are measured using a present value of future payments which considers various assumptions, including future loan origination volumes, projected earnings and discount rates. As of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), the Company utilized discount rates ranging from 12% to 30% to value the deferred purchase price liabilities. The liabilities as of June 30, 2021 (Successor) include provisional estimates for the seller earnout provision related to the Parkside asset purchase agreement that were based on the information that was available as of the acquisition date. Refer to Note 4—Acquisitions for additional details regarding these acquisitions. As this value is largely based on unobservable inputs, the Company classifies this liability as Level 3 in the fair value hierarchy.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

*Tax Receivable Agreement*

As a result of the Business Combination, the Company is a party to the tax receivable agreements (“TRAs”) with the Sellers. The fair value of the TRA obligation is derived through the use of a DCF model. The Company classifies the TRA obligation as Level 3 in the fair value hierarchy.

*Nonrecourse MSR Financing Liability, at Fair Value*

The Company has agreed to sell to certain third parties the right to receive all excess servicing and ancillary fees related to identified mortgage servicing rights in exchange for an upfront payment equal to the entire purchase price of the identified mortgage servicing rights.

Consistent with the underlying mortgage servicing rights, fair value is derived through a discounted cash flow analysis and calculated using a computer pricing model. This computer valuation is based on the objective characteristics of the portfolio (loan amount, note rate, etc.) and commonly used industry assumptions (PSAs, etc.). The assumptions taken into account by the pricing model are those which many active purchasers of servicing rights employ in their evaluations of portfolios for sale in the secondary market. The unique characteristics of the secondary servicing market often dictate adjustments to parameters over short periods of time.

Subjective factors are also considered in the derivation of fair values, including levels of supply and demand for servicing, interest rate trends, and perception of risk not incorporated into prepayment assumptions.

The Company classifies the valuations of the nonrecourse MSR financing liability as Level 3 in the fair value disclosures.

The significant assumptions used in estimating the fair value of the outstanding nonrecourse MSR financing liability were as follows (in annual rates):

	June 30, 2021		December 31, 2020	
	Successor		Predecessor	
	Range of Input	Weighted Average of Input	Range of Input	Weighted Average of Input
Weighted average prepayment speed (CPR)	6.0% - 16.0%	9.2%	6.9% - 12.7%	11.6%
Discount rate	10.9% - 11.0%	11.0%	11.7% - 12.0%	12.0%
Weighted average delinquency rate	NM	1.0%	NM	1.8%

The following table summarizes the estimated change in the fair value of the nonrecourse MSR financing liability, at fair value from adverse changes in the significant assumptions (in thousands):

	June 30, 2021		
	Successor		
	Weighted Average Prepayment Speed	Discount Rate	Weighted Average Delinquency Rate
Impact on fair value of 10% adverse change	\$ (1,231)	\$(2,112)	\$ (23)
Impact on fair value of 20% adverse change	(2,889)	(4,552)	(58)

These sensitivities are hypothetical and should be evaluated with care. The effect on fair value of a 10% variation in assumptions generally cannot be determined because the relationship of the change in assumptions to the fair value may not be linear. Additionally, the impact of a variation in a particular assumption on the fair value is calculated while holding other assumptions constant. In reality, changes in one factor may lead to changes in other factors, which could impact the above hypothetical effects.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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***Retained Bond***

The retained bonds represents the U.S. Risk Retention Certificates, a 5% eligible vertical interest in the Company's unconsolidated VIE, HAWT 2021-INV1. The beneficial interests retained consisted of an interest in each class of securities issued by the Trust. Because of the nature of the valuation inputs and due to the lack of observable market prices or data the Company classifies retained bonds as Level 3 assets within the GAAP hierarchy. Quarterly, management obtains third-party valuations to assess the reasonableness of the fair value calculations provided by the internal valuation model.

***Warrants***

The Company has determined that the warrants acquired with the Business Combination are subject to treatment as a liability. The warrants issued are exercisable for shares of Class A Common Stock of FoA at the share price on the date of exercise. The warrants are publicly traded and are valued based on the closing market price of the applicable date of the Consolidated Statements of Financial Condition. Accordingly, the warrants are classified as Level 1 financial instruments.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The following table provides a summary of the recognized assets and liabilities that are measured at fair value on a recurring basis (in thousands):

	June 30, 2021			
	Total Fair Value	Successor		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Reverse mortgage loans held for investment, subject to HMBS related obligations	\$10,316,027	\$ —	\$ —	\$10,316,027
Mortgage loans held for investment, subject to nonrecourse debt:				
Reverse mortgage loans	5,189,679	—	—	5,189,679
Fix & flip mortgage loans	234,942	—	—	234,942
Mortgage loans held for investment:				
Reverse mortgage loans	1,020,143	—	—	1,020,143
Fix & flip mortgage loans	44,578	—	—	44,578
Agricultural loans	160,369	—	—	160,369
Mortgage loans held for sale:				
Residential mortgage loans	1,908,107	—	1,896,654	11,453
SRL	96,569	—	—	96,569
Portfolio	52,866	—	—	52,866
Mortgage servicing rights	290,938	—	—	290,938
Investments	6,000	—	—	6,000
Derivative assets:				
Forward commitments, TBAs, and Treasury Futures	1,187	32	319	836
IRLCs	34,647	—	—	34,647
Forward MBS	996	—	996	—
Interest rate swap futures	24,981	24,981	—	—
Other assets:				
Retained bonds	15,671	—	—	15,671
<b>Total assets</b>	<b>\$19,397,700</b>	<b>\$25,013</b>	<b>\$1,897,969</b>	<b>\$17,474,718</b>
<b>Liabilities</b>				
HMBS related obligation	\$10,168,224	\$ —	\$ —	\$10,168,224
Nonrecourse debt:				
Nonrecourse debt in VIE trusts	5,360,603	—	—	5,360,603
Nonrecourse MSR financing liability	65,129	—	—	65,129
Deferred purchase price liabilities:				
Deferred purchase price liabilities	11,663	—	—	11,663
TRA obligation	32,810	—	—	32,810
Derivative liabilities:				
Forward MBS	4,364	—	4,364	—
Forward commitments, TBAs, and Treasury Futures	1,176	31	34	1,111
Interest rate swap futures	13,789	13,789	—	—
Warrants	19,261	19,261	—	—
<b>Total liabilities</b>	<b>\$15,677,019</b>	<b>\$33,081</b>	<b>\$ 4,398</b>	<b>\$15,639,540</b>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	December 31, 2020			
	Total Fair Value	Predecessor		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Reverse mortgage loans held for investment, subject to HMBS related obligations	\$ 9,929,163	\$ —	\$ —	\$ 9,929,163
Mortgage loans held for investment, subject to nonrecourse debt:				
Reverse mortgage loans	5,057,624	—	—	5,057,624
Fix & flip mortgage loans	338,543	—	—	338,543
Mortgage loans held for investment:				
Reverse mortgage loans	661,790	—	—	661,790
Agricultural loans	69,031	—	—	69,031
Mortgage loans held for sale:				
Residential mortgage loans	2,080,585	—	2,069,957	10,628
SRL	60,467	—	—	60,467
Portfolio	38,850	—	—	38,850
Fix & flip mortgage loans	42,909	—	—	42,909
Mortgage servicing rights	180,684	—	—	180,684
Investments	18,934	—	—	18,934
Derivative assets:				
Forward commitments and TBAs	1,806	—	722	1,084
IRLCs	87,576	—	—	87,576
Interest rate swaps and interest rate swap futures	2,683	186	2,497	—
Total assets	<u>\$18,570,645</u>	<u>\$ 186</u>	<u>\$2,073,176</u>	<u>\$16,497,283</u>
<b>Liabilities</b>				
HMBS related obligation	\$ 9,788,668	\$ —	\$ —	\$ 9,788,668
Nonrecourse debt:				
Nonrecourse debt in VIE trusts	5,257,754	—	—	5,257,754
Nonrecourse MSR financing liability	14,088	—	—	14,088
Deferred purchase price liabilities	3,842	—	—	3,842
Derivative liabilities:				
Forward MBS	18,634	—	18,634	—
Forward commitments and TBAs	1,332	—	248	1,084
Interest rate swaps and interest rate swap futures	755	186	569	—
Total liabilities	<u>\$15,085,073</u>	<u>\$ 186</u>	<u>\$ 19,451</u>	<u>\$15,065,436</u>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3, in thousands):

	Successor						
	Assets						
	Mortgage loans held for investment	Mortgage loans held for investment, subject to nonrecourse debt	Mortgage loans held for sale	Derivative assets	Mortgage servicing rights	Retained Bonds	Investments
<b>June 30, 2021</b>							
Beginning balance, April 1, 2021	\$11,171,736	\$ 5,291,444	\$ 135,681	\$ 38,574	\$267,364	\$ —	\$ 9,470
Total gain or losses included in earnings	153,690	80,408	1,816	(3,066)	(26,536)	666	(3,470)
Purchases, settlements and transfers:							
Purchases and additions, net	1,428,976	22,041	256,438	—	50,110	15,078	—
Sales and settlements	(615,958)	(522,141)	(275,956)	(25)	—	(73)	—
Transfers in/(out) between categories	(597,327)	552,869	42,909	—	—	—	—
Ending balance, June 30, 2021	<u>\$11,541,117</u>	<u>\$ 5,424,621</u>	<u>\$ 160,888</u>	<u>\$ 35,483</u>	<u>\$290,938</u>	<u>\$15,671</u>	<u>\$ 6,000</u>

	Successor					
	Liabilities					
	HMBS related obligations	Derivative liabilities	Deferred purchase price liabilities	Nonrecourse debt in VIE trusts	Nonrecourse MSR financing liability	TRA Liability
<b>June 30, 2021</b>						
Beginning balance, April 1, 2021	\$ (9,926,132)	\$ (936)	\$ (3,214)	\$ (5,205,892)	\$ (22,051)	\$ —
Total gains or losses included in earnings	(44,651)	\$ —	(1,760)	(32,601)	4,123	(860)
Purchases, settlements and transfers:						
Purchases and additions, net	(795,333)	—	(7,000)	(796,376)	(47,201)	(31,950)
Settlements	597,892	(175)	311	674,266	—	—
Ending balance, June 30, 2021	<u>\$(10,168,224)</u>	<u>\$ (1,111)</u>	<u>\$(11,663)</u>	<u>\$(5,360,603)</u>	<u>\$ (65,129)</u>	<u>\$(32,810)</u>

	Predecessor					
	Assets					
	Mortgage loans held for investment	Mortgage loans held for investment, subject to nonrecourse debt	Mortgage loans held for sale	Derivative assets	Mortgage servicing rights	Investments
<b>March 31, 2021</b>						
Beginning balance, January 1, 2021	\$10,659,984	\$ 5,396,167	\$ 152,854	\$ 88,660	\$180,684	\$ 18,934
Total gain or losses included in earnings	132,499	(37,757)	2,764	(50,040)	20,349	(9,464)
Purchases, settlements and transfers:						
Purchases and additions, net	1,143,109	21,064	175,551	—	74,978	—
Sales and settlements	(534,738)	(360,128)	(152,579)	(46)	(8,647)	—
Transfers in/(out) between categories	(229,118)	272,098	(42,909)	—	—	—
Ending balance, March 31, 2021	<u>\$11,171,736</u>	<u>\$ 5,291,444</u>	<u>\$ 135,681</u>	<u>\$ 38,574</u>	<u>\$267,364</u>	<u>\$ 9,470</u>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	Predecessor				
	Liabilities				
	HMBS related obligations	Derivative liabilities	Deferred purchase price liability	Nonrecourse debt in VIE trusts	Nonrecourse MSR financing liability
<b>March 31, 2021</b>					
Beginning balance, January 1, 2021	\$(9,788,668)	\$ (1,084)	\$ (3,842)	\$(5,257,754)	\$ (14,088)
Total gain or losses included in earnings	(41,434)	\$ —	(29)	(30,770)	390
Purchases, settlements and transfers:					
Purchases and additions, net	(602,172)	—	—	(575,668)	(8,353)
Sales and settlements	506,142	148	657	658,300	
Ending balance, March 31, 2021	<u>\$(9,926,132)</u>	<u>\$ (936)</u>	<u>\$ (3,214)</u>	<u>\$(5,205,892)</u>	<u>\$ (22,051)</u>

	Predecessor						
	Assets						
	Mortgage loans held for investment, subject to nonrecourse debt	Mortgage loans held for sale	Derivative assets	Mortgage servicing rights	Debt securities	Investments	
<b>December 31, 2020</b>							
Beginning balance, January 1, 2020	\$10,894,577	\$ 3,511,212	\$ 182,973	\$ 14,008	\$ 2,600	\$ 102,260	\$ 20,508
Total gain or losses included in earnings	627,251	304,663	(2,158)	74,470	4,562	2,288	(5,512)
Purchases, settlements and transfers:							
Purchases and additions, net	3,616,667	136,838	409,467	182	173,522	24,489	3,938
Sales and settlements	(1,536,977)	(1,285,902)	(605,018)	—	—	(129,037)	—
Transfers in/(out) between categories	(2,941,534)	2,729,356	167,590	—	—	—	—
Ending balance, December 31, 2020	<u>\$10,659,984</u>	<u>\$ 5,396,167</u>	<u>\$ 152,854</u>	<u>\$ 88,660</u>	<u>\$180,684</u>	<u>\$ —</u>	<u>\$ 18,934</u>

	Predecessor				
	Liabilities				
	HMBS related obligations	Derivative liabilities	Deferred purchase price liabilities	Nonrecourse debt in VIE trusts	Nonrecourse MSR Financing Liability
<b>December 31, 2020</b>					
Beginning balance, January 1, 2020	\$(9,320,209)	\$ (68)	\$ (4,300)	\$(3,490,196)	\$ —
Total gain or losses included in earnings	(359,951)	(834)	(3,014)	(294,802)	798
Purchases, settlements and transfers:					
Purchases and additions, net	(2,051,953)	(182)	(138)	(3,110,368)	(15,101)
Sales and settlements	1,943,445	—	3,610	1,637,612	215
Ending balance, December 31, 2020	<u>\$(9,788,668)</u>	<u>\$ (1,084)</u>	<u>\$ (3,842)</u>	<u>\$(5,257,754)</u>	<u>\$ (14,088)</u>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**Fair Value Option**

Presented in the tables below are the fair value and unpaid principal balance (“UPB”) at June 30, 2021 (Successor) and December 31, 2020 (Predecessor), of assets and liabilities for which the Company has elected the fair value option (in thousands):

**Successor:**

June 30, 2021	Estimated Fair Value	Unpaid Principal Balance
<b>Assets at fair value under the fair value option</b>		
Reverse mortgage loans held for investment, subject to HMBS related obligations	\$10,316,027	\$ 9,406,924
Mortgage loans held for investment, subject to nonrecourse debt:		
Reverse mortgage loans	5,189,680	4,615,128
Commercial mortgage loans	234,941	229,858
Mortgage loans held for investment:		
Reverse mortgage loans	1,020,143	879,794
Commercial mortgage loans	204,947	202,195
Mortgage loans held for sale:		
Residential mortgage loans	1,908,107	1,858,087
Commercial mortgage loans	149,435	144,789
<b>Liabilities at fair value under the fair value option</b>		
HMBS related obligations	10,168,224	9,406,924
Nonrecourse debt:		
Nonrecourse debt in VIE trusts	5,360,603	5,276,781
Nonrecourse MSR financing liability	65,129	65,129

**Predecessor:**

December 31, 2020	Estimated Fair Value	Unpaid Principal Balance
<b>Assets at fair value under the fair value option</b>		
Reverse mortgage loans held for investment, subject to HMBS related obligations	\$ 9,929,163	\$ 9,045,104
Mortgage loans held for investment, subject to nonrecourse debt:		
Reverse mortgage loans	5,057,624	4,457,805
Commercial mortgage loans	338,543	333,344
Mortgage loans held for investment:		
Reverse mortgage loans	661,790	589,429
Commercial mortgage loans	69,031	69,127
Mortgage loans held for sale:		
Residential mortgage loans	2,080,585	2,000,795
Commercial mortgage loans	142,226	140,693
<b>Liabilities at fair value under the fair value option</b>		
HMBS related obligations	9,788,668	9,045,104
Nonrecourse debt:		
Nonrecourse debt in VIE trusts	5,257,754	5,155,017
Nonrecourse MSR financing liability	14,088	14,088

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

***Net Fair Value Gains on Mortgage Loans and Related Obligations***

Provided in the table below is a summary of the components of net fair value gains on mortgage loans and related obligations (in thousands):

	April 1, 2021 to June 30, 2021 <u>Successor</u>	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 <u>Predecessor</u>	For the six months ended June 30, 2020
Net fair value gains (losses) on mortgage loans and related obligations:				
Interest income on mortgage loans	\$ 173,940	\$ 160,568	\$ 217,841	\$ 401,513
Change in fair value of mortgage loans	84,983	(51,346)	180,904	82,338
Change in fair value of mortgage backed securities	—	—	(1,470)	817
<b>Fair value gains on mortgage loans</b>	<b>258,923</b>	<b>109,222</b>	<b>397,275</b>	<b>484,668</b>
Interest expense on related obligations	(113,474)	(119,201)	(127,488)	(261,845)
Change in fair value of derivatives	(46,478)	43,972	8,567	(5,743)
Change in fair value of related obligations	32,180	42,670	(166,051)	(91,397)
<b>Fair value losses on related obligations</b>	<b>(127,772)</b>	<b>(32,559)</b>	<b>(284,972)</b>	<b>(358,985)</b>
<b>Net fair value gains on mortgage loans and related obligations</b>	<b>\$ 131,151</b>	<b>\$ 76,663</b>	<b>\$ 112,303</b>	<b>\$ 125,683</b>

As the cash flows on the underlying mortgage loans will be utilized to settle the outstanding obligations, the Company's own credit risk would not impact the fair value on the outstanding HMBS liabilities and nonrecourse debt.

***Fair Value of Other Financial Instruments***

As of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), all financial instruments were either recorded at fair value or the carrying value approximated fair value. For financial instruments that were not recorded at fair value, such as cash and cash equivalents including restricted cash, servicer advances and other financing lines of credit, the carrying value approximates fair value due to the short-term nature of such instruments.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**6. Reverse Mortgages Portfolio Composition**

The table below summarizes the Company's serviced reverse mortgage portfolio composition and the remaining UPBs of the reverse mortgage loan portfolio (in thousands):

	<u>June 30, 2021</u> <u>Successor</u>	<u>December 31, 2020</u> <u>Predecessor</u>
<b>Reverse mortgage loans:</b>		
<b>Reverse mortgage loans held for investment, subject to HMBS related obligations</b>	<b>\$ 9,406,924</b>	<b>\$ 9,045,104</b>
<b>Reverse mortgage loans held for investment:</b>		
Non-agency reverse mortgages	536,739	215,688
Loans not securitized <sup>(1)</sup>	254,004	168,292
Unpoolable loans <sup>(2)</sup>	80,487	197,395
Unpoolable tails	8,564	8,054
<b>Total reverse mortgage loans held for investment</b>	<b>879,794</b>	<b>589,429</b>
<b>Reverse mortgage loans held for investment, subject to nonrecourse debt:</b>		
Performing HECM buyouts	276,177	141,691
Nonperforming HECM buyouts	634,342	538,768
Non-agency reverse mortgages	3,704,609	3,777,346
<b>Total reverse mortgage loans held for investment, subject to nonrecourse debt</b>	<b>4,615,128</b>	<b>4,457,805</b>
Total owned reverse mortgage portfolio	14,901,846	14,092,338
Loans reclassified as government guaranteed receivable	49,813	49,255
Loans serviced for others	18,099	123,324
<b>Total serviced reverse mortgage loan portfolio</b>	<b>\$14,969,758</b>	<b>\$ 14,264,917</b>

<sup>(1)</sup> Loans not securitized represent primarily newly originated loans.

<sup>(2)</sup> Unpoolable loans represent primarily loans that have reached 98% of their MCA.

The table below summarizes the owned reverse mortgage portfolio by product type (in thousands):

	<u>June 30, 2021</u> <u>Successor</u>	<u>December 31, 2020</u> <u>Predecessor</u>
Fixed rate loans	\$ 5,181,814	\$ 5,010,659
Adjustable rate loans	9,720,032	9,081,679
<b>Total owned reverse mortgage portfolio</b>	<b>\$14,901,846</b>	<b>\$ 14,092,338</b>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**7. Reverse Mortgage Loans Held for Investment, Subject to HMBS Related Obligations, at Fair Value**

Reverse mortgage loans held for investment, subject to HMBS related obligations, at fair value, consisted of the following for the dates indicated (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
Reverse mortgage loans held for investment, subject to HMBS related obligations—UPB	\$ 9,406,924	\$ 9,045,104
Fair value adjustments	909,103	884,059
<b>Total reverse mortgage loans held for investment, subject to HMBS related obligations, at fair value</b>	<b><u>\$10,316,027</u></b>	<b><u>\$ 9,929,163</u></b>

**8. Mortgage Loans Held for Investment, Subject to Nonrecourse Debt, at Fair Value**

Mortgage loans held for investment, subject to nonrecourse debt, at fair value, consisted of the following for the dates indicated (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
<b>Mortgage loans held for investment, subject to nonrecourse debt—UPB:</b>		
Reverse mortgage loans	\$ 4,615,128	\$ 4,457,805
Commercial mortgage loans	229,858	333,344
Fair value adjustments	579,635	605,018
<b>Total mortgage loans held for investment, subject to nonrecourse debt, at fair value</b>	<b><u>\$ 5,424,621</u></b>	<b><u>\$ 5,396,167</u></b>

The table below shows the total amount of mortgage loans held for investment, subject to nonrecourse debt that were greater than 90 days past due and on non-accrual status (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
<b>Loans 90 days or more past due and on non-accrual status</b>		
<b>Mortgage loans held for investment:</b>		
<b>Fair value:</b>		
Commercial mortgage loans	\$ 33,764	\$ 32,377
<b>Total fair value</b>	<b><u>33,764</u></b>	<b><u>32,377</u></b>
<b>Aggregate UPB:</b>		
Commercial mortgage loans	\$ 34,159	33,888
<b>Total aggregate UPB</b>	<b><u>34,159</u></b>	<b><u>33,888</u></b>
<b>Difference</b>	<b><u>\$ (395)</u></b>	<b><u>\$ (1,511)</u></b>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**9. Mortgage Loans Held for Investment, at Fair Value**

Mortgage loans held for investment, at fair value, consisted of the following for the dates indicated (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
<b>Mortgage loans held for investment—UPB:</b>		
Reverse mortgage loans	\$ 879,794	\$ 589,429
Commercial mortgage loans	202,195	69,127
Fair value adjustments	143,101	72,265
<b>Total mortgage loans held for investment, at fair value</b>	<b>\$ 1,225,090</b>	<b>\$ 730,821</b>

**10. Mortgage Loans Held for Sale, at Fair Value**

Mortgage loans held for sale, at fair value, consisted of the following for the dates indicated (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
<b>Mortgage loans held for sale—UPB:</b>		
Residential mortgage loans	\$ 1,858,087	\$ 2,000,795
Commercial mortgage loans	144,789	140,693
Fair value adjustments	54,666	81,323
<b>Total mortgage loans held for sale, at fair value</b>	<b>\$ 2,057,542</b>	<b>\$ 2,222,811</b>

The table below shows the total amount of mortgage loans held for sale that were greater than 90 days past due and on non-accrual status (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
<b>Loans 90 days or more past due and on non-accrual status</b>		
<b>Mortgage loans held for sale:</b>		
<b>Fair value:</b>		
Residential mortgage loans	\$ 11,453	\$ 10,628
Commercial mortgage loans	3,203	5,051
<b>Total fair value</b>	<b>14,656</b>	<b>15,679</b>
<b>Aggregate UPB:</b>		
Residential mortgage loans	12,594	13,236
Commercial mortgage loans	3,360	5,317
<b>Total aggregate UPB</b>	<b>15,954</b>	<b>18,553</b>
<b>Difference</b>	<b>\$ (1,298)</b>	<b>\$ (2,874)</b>

The Company originates or purchases and sells mortgage loans in the secondary mortgage market without recourse for credit losses. However, the Company at times maintains continuing involvement with the loans in the form of servicing arrangements and the liability under representations and warranties it makes to purchasers and insurers of the loans.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The following table summarizes cash flows between the Company and transferees as a result of the sale of mortgage loans in transactions where the Company maintains continuing involvement with the mortgage loans (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
			Predecessor	
<i>Cash flows:</i>				
Sales proceeds	\$ 5,181,557	\$ 6,387,933	\$ 2,631,554	\$ 2,868,960
Fair value of retained beneficial interest <sup>(1)</sup>	49,308	66,400	43,500	44,855
Gross servicing fees received	14,278	13,877	1,544	1,824
Repurchases	(6,818)	(4,144)	(3,380)	(8,547)
Gain	197,129	284,948	282,424	291,671

<sup>(1)</sup> Fair value of retained beneficial interest includes retained servicing rights and other beneficial interests retained as of the statement of financial condition date.

**11. Mortgage Servicing Rights, at Fair Value**

The servicing portfolio associated with capitalized servicing rights consists of the following (in thousands):

	June 30, 2021 Successor	December 31, 2020 Predecessor
Fannie Mae/Freddie Mac	\$29,705,985	\$ 20,501,504
Ginnie Mae	553,800	1,727,831
Private investors	332,402	40,027
<b>Total UPB</b>	<b>\$30,592,187</b>	<b>\$ 22,269,362</b>
Weighted average interest rate	3.0%	3.1%

The activity in the loan servicing portfolio associated with capitalized servicing rights consisted of the following (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
			Predecessor	
Beginning UPB	\$26,675,358	\$ 22,269,362	\$ 402,852	\$ 288,057
Originated MSR	5,139,859	6,312,227	6,849,850	6,986,237
Purchased MSR	5,537	866,806	—	—
Payoffs, sales and curtailments	(1,228,567)	(2,773,037)	(40,859)	(62,451)
<b>Ending UPB</b>	<b>\$30,592,187</b>	<b>\$ 26,675,358</b>	<b>\$ 7,211,843</b>	<b>\$ 7,211,843</b>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The activity in the mortgage servicing rights asset consisted of the following (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Beginning balance	\$ 267,364	\$ 180,684	3,119	\$ 2,600
Originations	50,049	65,964	43,561	44,855
Purchases	61	9,014	—	—
Sales	—	(8,647)	—	—
Changes in fair value due to:				
Changes in market inputs or assumptions used in valuation model	(16,051)	35,109	(2,749)	(3,424)
Changes in fair value due to portfolio runoff and other	(10,485)	(14,760)	(1,247)	(1,347)
Ending balance	<u>\$ 290,938</u>	<u>\$ 267,364</u>	<u>\$ 42,684</u>	<u>\$ 42,684</u>

The value of MSRIs is driven by the net cash flows associated with servicing activities. The cash flows include contractually specified servicing fees, late fees, and other ancillary servicing revenue. The fees were \$13.7 million for the Successor period from April 1, 2021 to June 30, 2021 and \$3.0 million for the Predecessor period of January 1, 2021 to March 31, 2021. Fees for the Predecessor were \$1.7 million and \$1.8 million for the three months ended and six months ended June 30, 2020, respectively. These fees and changes in fair value of the MSRIs are recorded within fee income on the Consolidated Statements of Operations.

The following table provides a summary of the loan servicing portfolio delinquencies as a percentage of the total number of loans and the total unpaid balance of the portfolio:

	June 30, 2021		December 31, 2020	
	Number of Loans	Unpaid Balance	Number of Loans	Unpaid Balance
Portfolio delinquency				
30 days	0.4%	0.4%	0.5%	0.5%
60 days	0.0%	0.0%	0.1%	0.1%
90 or more days	0.1%	0.1%	0.2%	0.1%
Total	<u>0.5%</u>	<u>0.5%</u>	<u>0.8%</u>	<u>0.7%</u>
Foreclosure/real estate owned	0.0%	0.0%	0.0%	0.0%

**12. Derivative and Risk Management Activities**

The Company's principal market exposure is to interest rate risk, specifically long-term U.S. Treasury and mortgage interest rates, due to their impact on mortgage-related assets and commitments. The Company is also subject to changes in short-term interest rates, such as LIBOR, due to their impact on certain variable rate asset-backed debt such as warehouse lines of credit. Various financial instruments are used to manage and reduce this risk, including forward delivery commitments on mortgage-backed securities or whole loans and interest rate swaps.

The Company did not have any derivative instruments designated as hedging instruments or subject to master netting and collateral agreements as of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), for the Successor period from April 1, 2021 to June 30, 2021 and the Predecessor period from January 1, 2021 to March 31, 2021. The Company also had no derivative instruments designated as hedging instruments or subject to master netting and collateral agreements for the Predecessor period for the three months ended and six months ended June 30, 2020.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The following tables summarize the amounts recorded in derivative assets and payables and other liabilities, related to derivative liabilities, in the Consolidated Statements of Financial Condition for the periods indicated (in thousands):

	June 30, 2021					
	Successor					
	Derivative assets			Derivative liabilities		
	Fair value	Notional amount	Unrealized gains (losses)	Fair value	Notional amount	Unrealized gains (losses)
Interest rate lock commitments	\$34,647	\$2,539,030	\$ (52,929)	\$ —	\$ —	\$ —
Forward commitments, TBAs securities, and treasury futures	1,187	895,807	(619)	1,176	954,493	156
Interest rate swaps and futures contracts	24,981	4,616,698	22,298	13,789	1,082,600	(13,034)
Forward MBS	996	802,500	996	4,364	1,988,500	14,271
<b>Net fair value of derivative financial instruments</b>	<b>\$61,811</b>	<b>\$8,854,035</b>	<b>\$ (30,254)</b>	<b>\$19,329</b>	<b>\$4,025,593</b>	<b>\$ 1,393</b>

  

	December 31, 2020					
	Predecessor					
	Derivative assets			Derivative liabilities		
	Fair value	Notional amount	Unrealized gains (losses)	Fair value	Notional amount	Unrealized gains (losses)
Interest rate lock commitments	\$87,576	\$2,897,479	\$ 73,568	\$ —	\$ 13,822	\$ 68
Forward commitments, TBAs securities, and treasury futures	1,806	399,612	968	1,332	389,422	(1,248)
Interest rate swaps and futures contracts	2,683	1,386,400	2,324	755	744,500	(617)
Forward MBS	—	—	(348)	18,635	3,187,000	(16,587)
<b>Net fair value of derivative financial instruments</b>	<b>\$92,065</b>	<b>\$4,683,491</b>	<b>\$ 76,512</b>	<b>\$20,722</b>	<b>\$4,334,744</b>	<b>\$ (18,384)</b>

The Company is exposed to risk in the event of non-performance by counterparties in their derivative contracts. In general, the Company manages such risk by evaluating the financial position and creditworthiness of counterparties, monitoring the amount of exposure and/or dispersing the risk among multiple counterparties. While the Company does not presently have master netting arrangements with its derivative counterparties, it does either maintain or deposit cash as margin collateral with its clearing broker to the extent the relative value of its derivatives are above or below their initial strike price. The Company pledged deposits of \$4.1 million and \$12.0 million as of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), respectively. Total margin collateral is included in other assets, net, in the Company's Consolidated Statements of Financial Condition.

**13. Goodwill**

Goodwill consisted of the following (in thousands):

	April 1, 2021 to June 30, 2021	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
	Successor	Predecessor		
Beginning balance	\$ —	\$ 121,233	\$ 121,137	\$ 121,137
Additions from acquisitions	1,298,324	7,517	617	617
Ending balance	<b>\$ 1,298,324</b>	<b>\$ 128,750</b>	<b>\$ 121,754</b>	<b>\$ 121,754</b>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

For the Successor period, the goodwill beginning balance was established as a result of the Business Combination and changes during the period are attributable to additional acquisitions. Refer to Note 4—Acquisitions for additional details regarding these acquisitions. The Company did not identify any impairment for the Successor period from April 1, 2021 to June 30, 2021, the Predecessor period of January 1, 2021 to March 31, 2021 nor the Predecessor periods for the three months ended and six months ended June 30, 2020. Goodwill is reviewed for impairment utilizing a qualitative assessment or a quantitative goodwill impairment test and determined that it was more likely than not that no impairment of goodwill existed as of the evaluation date.

The amount of goodwill allocated to each reporting unit consisted of the following (in thousands):

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>Successor</u>	<u>Predecessor</u>
<b>Reporting units:</b>		
Mortgage Originations	\$ 711,306	\$ 44,429
Reverse Originations	404,441	—
Commercial Originations	75,350	43,113
Lender Services	100,128	25,247
Portfolio Management	7,099	8,444
<b>Total goodwill</b>	<u>\$ 1,298,324</u>	<u>\$ 121,233</u>

**14. Intangible Assets, Net**

Intangible assets, net, consisted of the following (in thousands):

June 30, 2021	<u>Amortization</u>	<u>Cost</u>	<u>Accumulated</u>	<u>Net</u>
	<u>Period</u>		<u>Amortization</u>	
	<u>(Years)</u>			
<b>Successor:</b>				
<i>Non-amortizing Intangibles</i>				
Trade name	N/A	\$178,000	\$ —	\$178,000
<b>Total non-amortizing intangibles</b>		<u>\$178,000</u>	<u>\$ —</u>	<u>\$178,000</u>
<i>Amortizing Intangibles</i>				
Broker/customer relationships	8 - 15	\$530,900	\$ (13,237)	\$517,663
Trade names	10	8,800	(220)	8,580
<b>Total amortizing intangibles</b>		<u>\$539,700</u>	<u>\$ (13,457)</u>	<u>\$526,243</u>
<b>Total intangibles</b>		<u>\$717,700</u>	<u>\$ (13,457)</u>	<u>\$704,243</u>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

December 31, 2020	Amortization Period (Years)	Cost	Accumulated Amortization	Net
<b>Predecessor:</b>				
<i>Non-amortizing Intangibles</i>				
Domain name	N/A	\$ 5,422	\$ —	\$ 5,422
<b>Total non-amortizing intangibles</b>		<u>\$ 5,422</u>	<u>\$ —</u>	<u>\$ 5,422</u>
<i>Amortizing Intangibles</i>				
Customer list	5 - 12	\$12,754	\$ (5,100)	\$ 7,654
Broker relationships	10	7,627	(5,429)	2,198
Trade names	5 - 20	2,495	(1,487)	1,008
Technology assets	5	805	(156)	649
<b>Total amortizing intangibles</b>		<u>\$23,681</u>	<u>\$ (12,172)</u>	<u>\$11,509</u>
<b>Total intangibles</b>		<u>\$29,103</u>	<u>\$ (12,172)</u>	<u>\$16,931</u>

Amortization expense was \$13.5 million for the Successor period from April 1, 2021 to June 30, 2021 and \$0.6 million for the Predecessor period from January 1, 2021 to March 31, 2021. Amortization expense for the Predecessor was \$0.6 million and \$1.3 million for the three months ended and six months ended June 30, 2020, respectively.

The estimated amortization expense for each of the five succeeding fiscal years and thereafter as of June 30, 2021 (Successor) is as follows (in thousands):

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 26,914
2022	53,828
2023	53,828
2024	53,828
2025	53,828
Thereafter	284,017
Total future amortization expense	<u>\$526,243</u>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**15. Other Assets, Net**

Other assets, net, consisted of the following (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
Right-of-use assets	\$ 62,835	\$ 46,609
Government guaranteed receivables	48,087	46,481
Receivables, net of allowance of \$1,452 and \$788, respectively	48,666	67,011
Loan subject to repurchase from GNMA	30,027	42,148
Prepaid expenses	26,070	17,536
Retained bonds	15,671	—
Investments, at fair value	6,554	18,934
Servicer advances, net of allowance of \$2,002 and \$1,661, respectively	6,318	5,795
Deposits	2,438	14,188
Receivable from clearing organization	2,041	2,043
Other	51,546	39,887
<b>Total other assets, net</b>	<b>\$ 300,253</b>	<b>\$ 300,632</b>

As of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), there were \$368.6 million and \$380.3 million, respectively, of foreclosure proceedings in process, which are included in mortgage loans held for investment, at fair value, on the Consolidated Statements of Financial Condition.

**16. HMBS Related Obligations, at Fair Value**

HMBS related obligations represent the issuance of pools of HMBS, which are guaranteed by GNMA, to third-party security holders. The Company accounts for the transfers of these advances in the related HECM loans as secured borrowings, retaining the initial HECM loans in its Consolidated Statements of Financial Condition as reverse mortgage loans held for investment, subject to HMBS related obligations, and recording the pooled HMBS as HMBS related obligations. Monthly cash flows generated from the HECM loans are used to service the outstanding HMBS.

HMBS related obligations, at fair value, consisted of the following (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
GNMA loan pools—UPB	\$ 9,406,924	\$ 9,045,104
Fair value adjustments	761,300	743,564
<b>Total HMBS related obligations, at fair value</b>	<b>\$10,168,224</b>	<b>\$ 9,788,668</b>
Weighted average remaining life	4.4	4.5
Weighted average interest rate	2.6%	3.0%

The Company was servicing 1,765 and 1,693 GNMA loan pools at June 30, 2021 (Successor) and December 31, 2020 (Predecessor), respectively.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**17. Nonrecourse Debt, at Fair Value**

Nonrecourse debt, at fair value, consisted of the following (in thousands):

	Issue Date	Class of Note	Final Maturity Date	Interest Rate	Original Issue Amount	June 30, 2021 Successor	December 31, 2020 Predecessor
Securitization of nonperforming HECM loans:							
2021 FASST HB1	February 2021	A, M1, M2, M3, M4, M5	February 2031	0.9%—9.0%	\$571,448	<b>\$537,299</b>	\$ —
2020 FASST HB2	July 2020	A, M1, M2, M3, M4, M5	July 2030	1.71%—7.75%	594,171	<b>446,413</b>	476,147
2020 FASST HB1	February 2020	A, M1, M2, M3, M4, M5	February 2030	2.0%—6.0%	373,912	—	298,883
Securitization of non-agency reverse loans:							
2021 FASST JR 1	April 2021	A1, A2	April 2026	1.5%—2.0%	562,512	<b>512,794</b>	—
2019 FASST JR2	June 2019	A, A2	June 2069	2.0%	499,000	<b>406,709</b>	440,141
2018 FASST JR1	May 2018	A	May 2068	4.3%	559,197	<b>386,548</b>	428,671
2019 FASST JR3	September 2019	A	September 2069	2.0%	450,104	<b>359,772</b>	404,057
2020 FASST JR3	August 2020	A, A2	August 2025	2.0%—3.0%	360,713	<b>315,570</b>	337,099
2019 FASST JR4	November 2019	A	November 2069	2.0%	365,685	<b>305,097</b>	335,945
2019 FASST JR1	March 2019	A	March 2069	2.0%	347,000	<b>288,654</b>	309,840
2020 FASST S3	December 2020	A1, A2	December 2025	1.5%—2.5%	313,357	<b>288,383</b>	297,871
2020 FASST S2	June 2020	A1, A2	March 2025	2.0%	320,460	<b>286,734</b>	299,401
2020 FASST JR2	May 2020	A1A, A1B, A2	May 2023	0.0%—2.0%	305,658	<b>277,694</b>	291,827
2018 FASST JR2	December 2018	A	December 2068	4.5%	280,400	<b>229,872</b>	253,325
2020 FASST JR4	October 2020	A, A2	August 2025	2.0%—3.0%	241,664	<b>197,970</b>	217,385
2020 FASST S1	March 2020	A1, A2	March 2025	2.0%—3.7%	199,000	<b>168,761</b>	181,059
2020 FASST JR1	April 2020	A, A2	April 2023	2.0%	254,805	—	240,563

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	Issue Date	Class of Note	Final Maturity Date	Interest Rate	Original Issue Amount	June 30, 2021 Successor	December 31, 2020 Predecessor
Securitization of Fix & Flip loans:							
2021 RTL1 ANTLR	April 2021	A1, A2, M	November 2024 (A1); January 2025 (A2); May 2025 (M)	2.1%—5.4%	268,511	268,511	—
2020 RTL1 ANTLR	May 2020	A1, A2	May 2022 (A1, A2)	6.9%—8.0%	306,517	—	140,072
2018 RTL1 ANTLR	September 2018	A1, A2, A-VFN, M	July 2022 (A1, A2); March 2023 (M)	4.3%—7.4%	210,296	—	80,949
2019 RTL1 ANTLR	March 2019	A1, A2, A-VFN, M	June 2022 (A1, A2); January 2023 (M)	4.5%—6.9%	217,100	—	121,772
<b>Total nonrecourse debt</b>						<u>5,276,781</u>	<u>5,155,007</u>
<b>Nonrecourse MSR financing liability, at fair value</b>						<b>65,129</b>	14,088
Fair value adjustments						<u>83,822</u>	<u>102,747</u>
<b>Total nonrecourse debt, at fair value</b>						<u><b>\$5,425,732</b></u>	<u>\$ 5,271,842</u>

***Nonrecourse MSR Financing Liability, at Fair Value***

The Company has agreements with third parties to sell beneficial interests in the servicing fees generated from certain of its originated or acquired mortgage servicing rights. Under these agreements, the Company has agreed to sell to the third parties the right to receive all excess servicing and ancillary fees related to the identified MSRs in exchange for an upfront payment equal to the entire purchase price of the identified mortgage servicing rights. These transactions are accounted for as financings under ASC 470, *Debt* and included in nonrecourse debt, at fair value in the Consolidated Statements of Financial Condition.

The Company elected to measure the outstanding financings related to the nonrecourse MSR financing liability, at fair value, as permitted under ASC 825 *Financial Instruments*, with all changes in fair value recorded as a charge or credit to fee income in the Consolidated Statements of Operations. The fair value on the nonrecourse MSR financing liability is based on the present value of expected future cash flows to be paid to the third parties with the discount rate approximating current market value for similar financial instruments. See Note 30—Related Party Transactions for additional information regarding the nonrecourse MSR financing liability.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**18. Other Financing Lines of Credit**

The following summarizes the components of other financing lines of credit (dollars in thousands):

Facility	Maturity Date	Interest Rate	Collateral Pledged	Total Capacity <sup>(1)</sup>	Outstanding Borrowings at	
					June 30, 2021	December 31, 2020
					Successor	Predecessor
<b>Mortgage Lines:</b>						
March 2022 \$300M Facility	March 2022	LIBOR + applicable margin	First Lien Mortgages	\$ 300,000	\$ 192,417	\$ 182,015
March 2022 \$200M Facility	March 2022	LIBOR + applicable margin	N/A	200,000	189,464	302,877
May 2022 \$200M Facility	May 2022	LIBOR + applicable margin	First Lien Mortgages	200,000	189,050	109,463
February 2022 \$300M Facility	February 2022	LIBOR + applicable margin	First Lien Mortgages	300,000	186,754	—
July 2021 \$200M Facility <sup>(2)</sup>	July 2021	LIBOR + applicable margin	First Lien Mortgages	200,000	167,207	122,075
October 2021 \$200M Facility	October 2021	LIBOR + applicable margin	First Lien Mortgages	200,000	166,564	158,114
March 2022 \$225M Facility	March 2022	LIBOR + applicable margin	First Lien Mortgages	225,000	163,678	154,097
March 2022 \$200M Facility	March 2022	LIBOR + applicable margin	First Lien Mortgages	200,000	155,468	97,225
March 2026 \$150M Facility - MSR	March 2026	LIBOR + applicable margin	MSRs	150,000	125,113	—
April 2022 \$250M Facility	April 2022	LIBOR + applicable margin	First Lien Mortgages	250,000	122,412	225,837
May 2022 \$350M Facility	May 2022	LIBOR + applicable margin	First Lien Mortgages	350,000	102,332	283,821
October 2021 \$250M Facility	October 2021	LIBOR + applicable margin	First Lien Mortgages	250,000	65,541	170,174
August 2021 \$200M Facility	August 2021	LIBOR + applicable margin	First Lien Mortgages	200,000	59,663	126,047
August 2021 \$300M Facility <sup>(2)</sup>	August 2021	LIBOR + applicable margin	First Lien Mortgages	300,000	40,562	15,719
			Mortgage Related			
Securities Repo Line	N/A	LIBOR + applicable margin	Asset	13,951	13,951	—
		Prime + applicable margin;				
February 2021 \$50M Facility - MSR <sup>(3)</sup>	February 2021	5.00% floor	MSRs	50,000	—	50,000
June 2023 \$300M Facility	June 2023	LIBOR + applicable margin	First Lien Mortgages	300,000	—	—
<b>Subtotal mortgage lines of credit</b>				<b>\$3,688,951</b>	<b>\$1,940,176</b>	<b>\$ 1,997,464</b>
<b>Reverse Lines:</b>						
October 2021 \$400M Facility	October 2021	LIBOR + applicable margin	First Lien Mortgages	\$ 400,000	\$ 257,257	\$ 84,124
April 2022 \$250M Facility	April 2022	LIBOR + applicable margin	First Lien Mortgages	250,000	214,245	173,484
		Bond accrual rate + applicable margin	Mortgage Related Assets			
\$200M Repo Facility	N/A			200,000	176,549	174,578
February 2024 \$90M Facility	February 2024	LIBOR + applicable margin	MSRs	90,000	89,497	—
December 2021 \$100M Facility	December 2021	LIBOR + applicable margin	First Lien Mortgages	100,000	89,226	61,220
March 2022 \$100M Facility	March 2022	LIBOR + applicable margin	First Lien Mortgages	100,000	87,936	15,803

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

Facility	Maturity Date	Interest Rate	Collateral Pledged	Total Capacity <sup>(1)</sup>	Outstanding Borrowings at	
					June 30, 2021 Successor	December 31, 2020 Predecessor
June 2022 \$75M Facility	June 2022	LIBOR + applicable margin	First Lien Mortgages	75,000	72,479	11,423
April 2022 \$52.5M Facility	April 2022	LIBOR + applicable margin	Mortgage Related Assets	52,500	52,500	50,239
April 2022 \$50M Facility	April 2022	Prime + applicable margin; 6.00% floor	Unsecuritized Tails	50,000	38,757	37,442
April 2022 \$45M Facility	April 2022	9.00%	Mortgage Related Assets	45,000	28,220	26,875
June 2022 \$200M Facility <sup>(2)</sup>	June 2022	LIBOR + applicable margin	First Lien Mortgages	200,000	26,883	128,723
August 2021 \$50M Facility	August 2021	LIBOR + applicable margin	First Lien Mortgages	50,000	24,329	2,860
\$1.2M Repo Facility	N/A	LIBOR + applicable margin	Mortgage Related Assets	1,215	1,215	1,188
<b>Subtotal reverse lines of credit</b>				<u>\$1,613,715</u>	<u>\$1,159,093</u>	<u>\$ 767,959</u>
<b>Commercial Lines:</b>						
September 2022 \$150M Facility	September 2022	LIBOR + applicable margin	Encumbered Agricultural Loans	\$ 150,000	\$ 112,229	\$ 52,300
April 2023 \$145M Facility	April 2023	LIBOR + applicable margin	First Lien Mortgages	145,000	86,055	100,070
February 2022 \$150M Facility	February 2022	LIBOR + applicable margin	First Lien Mortgages	150,000	33,768	—
November 2023 \$65M Facility	November 2023	LIBOR + applicable margin	First Lien Mortgages	65,000	30,528	28,064
August 2022 \$75M	August 2022	2.50% - 3.25%	Encumbered Agricultural Loans	75,000	24,746	—
August 2022 \$25M Facility	August 2022	10.00%	Second Lien Mortgages	25,000	20,900	21,475
\$4M Securities Repo Line	N/A	LIBOR + applicable margin	Mortgage Related Assets	4,024	4,024	—
February 2022 \$150M Facility	February 2022	LIBOR + applicable margin	First Lien Mortgages	150,000	715	—
\$2M Securities Repo Line	N/A	Distributed Bond Interest + 50 bps	Mortgage Related Assets	—	—	6,411
<b>Subtotal commercial lines of credit</b>				<u>\$ 764,024</u>	<u>\$ 312,965</u>	<u>\$ 208,320</u>
<b>Total other financing lines of credit</b>				<u>\$6,066,690</u>	<u>\$3,412,234</u>	<u>\$ 2,973,743</u>

<sup>(1)</sup> Capacity is dependent upon maintaining compliance with, or obtaining waivers of, the terms, conditions and covenants of the respective agreements, including asset-eligibility requirements. Capacity amounts presented are as of June 30, 2021.

<sup>(2)</sup> See Note 36 - Subsequent Events for additional information on facility amendments.

<sup>(3)</sup> The February 2021 \$50M facility - MSR was paid off and terminated in February 2021.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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As of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), the weighted average outstanding interest rates on outstanding debt of the Company were 2.57% and 3.15%, respectively.

The Company's borrowing arrangements and credit facilities contain various financial covenants which primarily relate to required tangible net worth amounts, liquidity reserves, leverage requirements, and profitability requirements. As a result of market disruptions and fair value accounting adjustments taken in March 2020 resulting from the COVID-19 pandemic, FACo was in violation of its first, second, and third quarter 2020 profitability covenants with two of its warehouse lenders. The Company received waivers of these covenant violations from both lenders as well as amendments to profitability covenants for the remaining quarters of 2020.

As a result of impacts from the Business Combination, FAM was not in compliance with the lender adjusted tangible net worth quarterly and two-consecutive quarter requirements by FNMA as detailed below. The Company received a waiver for the covenant violations from FNMA. As of June 30, 2021 (Successor), the Company had obtained waivers for these covenant violations and was in compliance with all other financial covenants.

The terms of the Company's financing arrangements and credit facilities contain covenants, and the terms of the Company's GSE/seller servicer contracts contain requirements that may restrict the Company and its subsidiaries from paying distributions to its members. These restrictions include restrictions on paying distributions, whenever the payment of such distributions would cause FoA to no longer be in compliance with any of its financial covenants or GSE requirements. Further, the Company is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of the Company (with certain exceptions) exceed the fair value of its assets. Subsidiaries of the Company are generally subject to similar legal limitations on their ability to make distributions to FoA.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

As of June 30, 2021 (Successor), the maximum allowable distributions available to the Company based on the most restrictive of such financial covenant ratios is presented in the table below (in thousands, except for ratios):

Successor			
Financial Covenants	Requirement	June 30, 2021	Maximum Allowable Distribution <sup>(1)</sup>
<b>FAM</b>			
Adjusted Tangible Net Worth	\$ 150,000	\$ 191,383	\$ 41,383
Liquidity	40,000	60,697	20,697
Leverage Ratio	15:1	13.3:1	21,591
Material Decline in Lender Adjusted Net Worth:			
<i>Lender Adjusted Tangible Net Worth (Quarterly requirement)</i>	\$ 294,790	\$ 191,383	\$ (103,406)
<i>Lender Adjusted Tangible Net Worth (Two-Consecutive Quarterly requirement)</i>	215,803	191,383	(24,419)
<b>FACo</b>			
Adjusted Tangible Net Worth	\$ 85,000	\$ 93,411	\$ 8,411
Liquidity	20,000	28,579	8,579
Leverage Ratio	6:1	3.6:1	37,192
<b>FAR</b>			
Adjusted Tangible Net Worth	\$ 398,288	\$ 449,271	\$ 50,983
Liquidity	20,000	25,120	5,120
Leverage Ratio	6:1	3.6:1	180,788
Material Decline in Lender Adjusted Net Worth:			
<i>Lender Adjusted Tangible Net Worth (Quarterly requirement)</i>	\$ 302,921	\$ 448,047	\$ 145,126
<i>Lender Adjusted Tangible Net Worth (Two-Consecutive Quarterly requirement)</i>	354,344	448,047	93,703

<sup>(1)</sup> The Maximum Allowable Distribution for any of the originations subsidiaries is the lowest of the amounts shown for the particular originations subsidiary.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

As of December 31, 2020 (Predecessor), the maximum allowable distributions available to the Company based on the most restrictive of such financial covenant ratios is presented in the table below (in thousands, except for ratios):

<b>Predecessor</b>			
<b>Financial Covenants</b>	<b>Requirement</b>	<b>December 31, 2020</b>	<b>Maximum Allowable Distribution <sup>(1)</sup></b>
<b>FAM</b>			
Adjusted Tangible Net Worth	\$ 125,000	\$ 289,163	\$ 164,163
Liquidity	40,000	56,775	16,775
Leverage Ratio	15:1	9.3:1	110,267
Material Decline in Lender Adjusted Net Worth:			
<i>Lender Adjusted Tangible Net Worth (Quarterly requirement)</i>	\$ 210,428	\$ 282,062	\$ 71,634
<i>Lender Adjusted Tangible Net Worth (Two-Consecutive Quarterly requirement)</i>	93,763	282,062	188,299
<b>FACo</b>			
Adjusted Tangible Net Worth	\$ 85,000	\$ 126,672	\$ 41,672
Liquidity	20,000	46,385	26,385
Leverage Ratio	6:1	1.7:1	90,782
<b>FAR</b>			
Adjusted Tangible Net Worth	\$ 300,000	\$ 474,128	\$ 174,128
Liquidity	20,000	36,425	16,425
Leverage Ratio	5.5:1	2.5:1	258,615
Material Decline in Lender Adjusted Net Worth:			
<i>Lender Adjusted Tangible Net Worth (Quarterly requirement)</i>	\$ 314,091	\$ 472,458	\$ 158,367
<i>Lender Adjusted Tangible Net Worth (Two-Consecutive Quarterly requirement)</i>	205,619	472,458	266,839

<sup>(1)</sup> The Maximum Allowable Distribution for any of the originations subsidiaries is the lowest of the amounts shown for the particular originations subsidiary.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**19. Payables and Other Liabilities**

Payables and other liabilities consisted of the following (in thousands):

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	Successor	Predecessor
Accrued compensation expense	\$ 131,831	\$ 150,214
Accrued liabilities	97,902	83,427
Lease liabilities	64,496	48,250
Deferred tax liability, net	28,455	—
GNMA reverse mortgage buy-out payable	32,607	32,317
Liability for loans eligible for repurchase from GNMA	30,027	42,148
Derivative liabilities	19,329	20,722
Warrant liability	19,261	—
Estimate of claim losses	11,839	8,609
Deferred purchase price liabilities	44,473	3,842
Repurchase reserves	8,515	10,529
<b>Total payables and other liabilities</b>	<b>\$ 488,735</b>	<b>\$ 400,058</b>

**Warrants**

Prior to the Business Combination, Replay issued 28,750,000 units, consisting of one ordinary share and one-half of one redeemable warrant (each, a “Public Warrant” or “Warrant”), resulting in 14,375,000 Public Warrants.

Each Warrant is now exercisable for a share of FoA Class A Common Stock. As of June 30, 2021 (Successor), there were 4,375,000 Public Warrants outstanding.

The Warrants will expire April 1, 2026, five years after the completion of the Business Combination. The Company may call the Warrants for redemption:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon a minimum of 30 days’ prior written notice of redemption;
- if, and only if, the last reported closing price of the Class A Common Stock equals or exceeds \$8.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders; and

Each Warrant entitles the holder to purchase one ordinary share at a price of \$11.50 per share, subject to adjustment for reorganization and/or extraordinary dividends event, as described in the warrant agreement.

If the Company calls the Warrants for redemption, management will have the option to require all holders that wish to exercise the warrants to do so on a “cashless basis,” as described in the warrant agreement.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The Company has determined that the Warrants are subject to treatment as a liability. As of the Closing of the Business Combination on April 1, 2021 and as of June 30, 2021 (Successor), the Warrants had a fair value of \$18.0 million and \$19.3 million, respectively. These liability-classified Public Warrants are out of the money and thus have no impact on diluted EPS.

**20. Leases**

The Company's lease portfolio is comprised primarily of real estate and equipment agreements. Operating leases in which the Company is the lessee are recorded as operating lease ROU assets and operating lease liabilities, included in other assets, net, and payables and other liabilities, respectively, on the Consolidated Statements of Financial Condition, as of June 30, 2021 (Successor) and December 31, 2020 (Predecessor). The Company does not currently have any finance leases in which it is the lessee. Operating lease ROU assets represent the Company's right to use an underlying asset during the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease.

For operating leases, the lease liabilities are initially recognized based on the present value of the remaining lease payments using a discount rate that represents the Company's incremental borrowing rate at the lease commencement date. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments. This incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment and given similar credit risk. The lease term for all of the Company's leases includes the noncancellable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease. The Company includes these options in the lease term when it is reasonably certain of exercising them.

ROU assets are further adjusted for lease incentives. Operating lease expense is recognized on a straight-line basis over the lease term and is recorded in general and administrative expenses in the Consolidated Statements of Operations. The Company recognizes variable lease payments associated with the Company's leases when the variability is resolved. Variable lease payments are recorded in general and administrative expenses in the Consolidated Statements of Operations along with expenses arising from fixed lease payments.

The table below summarizes the Company's operating lease portfolio (in thousands):

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
Right-of-use assets	\$ 62,835	\$ 46,609
Lease liabilities	\$ 64,496	\$ 48,250
Weighted-average remaining lease term (in years)	6.61	3.61
Weighted-average discount rate	7.08%	7.42%

The table below summarizes the Company's net operating lease cost:

	<u>April 1, 2021</u> to <u>June 30, 2021</u> Successor	<u>January 1, 2021</u> to <u>March 31, 2021</u> Predecessor	<u>For the three</u> <u>months ended</u> <u>June 30, 2020</u>	<u>For the six</u> <u>months ended</u> <u>June 30, 2020</u>
Operating lease cost	\$ 5,591	\$ 5,490	\$ 7,046	\$ 13,658
Short-term lease cost	888	1,035	(593)	1,438
Total operating and short term lease cost	6,479	6,525	6,453	15,096
Variable lease cost	1,997	1,808	718	1,422
Sublease income	(516)	(464)	(574)	(1,270)
<b>Net lease cost</b>	<b>\$ 7,960</b>	<b>\$ 7,869</b>	<b>\$ 6,597</b>	<b>\$ 15,248</b>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The table below summarizes other information related to the Company's operating leases:

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
		Predecessor		
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>				
Operating cash flows from operating leases	\$ 5,291	\$ 5,423	\$ 6,255	\$ 12,540
Leased assets obtained in exchange for new operating lease liabilities	22,752	701	1,134	4,598

The following table presents a maturity analysis of operating leases and a reconciliation of the undiscounted cash flows to lease liabilities as of June 30, 2021 (Successor):

2021	\$ 10,083
2022	16,846
2023	13,104
2024	9,025
2025	6,045
2026	3,585
Thereafter	24,742
<b>Total undiscounted lease payments</b>	<b>83,430</b>
Less: amounts representing interest	(18,934)
<b>Total lease liabilities</b>	<b>\$ 64,496</b>

**21. Notes Payable, Net**

**Senior Unsecured Notes**

In November 2020, FOAF issued \$350.0 million aggregate principal amount of senior unsecured notes (the "Notes"). Interest is payable semi-annually in arrears on May 15 and November 15 beginning on May 15, 2021. The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by FoA Equity and each of FoA Equity's material existing and future wholly-owned domestic subsidiaries, excluding certain subsidiaries who are not able to guarantee due to tax, contractual or regulatory reasons.

At any time prior to November 15, 2022, FOAF may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount thereof, plus the applicable premium as of the redemption date under the terms of the indenture and accrued and unpaid interest. The redemption price during each of the twelve-month periods following November 15, 2022, November 15, 2023 and at any time after November 15, 2024 is 103.938%, 101.969% and 100.000%, respectively, of the principal amount plus accrued and unpaid interest thereon. At any time prior to November 15, 2022, FOAF may also redeem up to 40% of the aggregate principal amount of the notes at a redemption price equal to 107.875% of the aggregate principal amount of the senior unsecured notes redeemed, with an amount equal to or less than the net cash proceeds from certain equity offerings, plus accrued and unpaid interest.

Upon the occurrence of a change of control, the holders of the Notes will have the right to require FOAF to make an offer to repurchase each holder's Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest.

The Notes contain covenants limiting, among other things, FOAF and its restricted subsidiaries' ability to incur additional debt or issue certain preferred shares, incur liens, make certain distributions, investments and other

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

restricted payments, engage in certain transactions with affiliates, and merge or consolidate or sell, transfer, lease or otherwise dispose of all or substantially all of FOAF's assets. These incurrence based covenants are subject to exceptions and qualifications. Many of these covenants will cease to apply during any time that the Notes have investment grade ratings and no default has occurred and continuing. The Company was in compliance with all required covenants related to the Notes as of June 30, 2021 (Successor).

**Financing Agreements**

As a part of the Company's acquisitions of certain subsidiaries, the Company entered into various note agreements with the sellers. In addition, in 2017, the Company entered into an agreement for the purchase of computer hardware and equipment which was financed by notes payable to the seller with monthly payments through January 2021.

A summary of the outstanding notes payable, net, is presented in the table below (in thousands):

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>June 30, 2021</u> <u>Successor</u>	<u>December 31, 2020</u> <u>Predecessor</u>
Senior Unsecured Notes	November 2025	7.9%	<b>\$350,000</b>	\$ 350,000
Financing Agreement	January 2021	5.5%	—	9
Total aggregate principle amount			<b>350,000</b>	350,009
Fair value adjustment, net of amortization <sup>(1)</sup>			<b>3,718</b>	—
Less: Debt issuance costs			—	(13,436)
<b>Total notes payable, net</b>			<b><u>\$353,718</u></b>	<b><u>\$ 336,573</u></b>

- (1) In conjunction with the Business Combination discussed in Note 4, the Company was required to adjust the liabilities assumed to fair value, resulting in a premium on the Notes and the elimination of the previously recognized debt issuance costs.

Interest expense was \$7.5 million for the Successor period from April 1, 2021 to June 30, 2021 and \$7.7 million for the Predecessor period from January 1, 2021 to March 31, 2021. Interest expense for the Predecessor was \$0.2 million and \$0.6 million for the three months ended and six months ended June 30, 2020, respectively.

**22. Litigation**

The Company's business is subject to legal proceedings, examinations, investigations and reviews by various federal, state and local regulatory and enforcement agencies as well as private litigants such as the Company's borrowers or former employees. At any point in time, the Company may have open investigations with regulators or enforcement agencies, including examinations and inquiries related to its loan servicing and origination practices. These matters and other pending or potential future investigations, examinations, inquiries or lawsuits may lead to administrative or legal proceedings, and possibly result in remedies, including fines, penalties, restitution, or alterations in business practices, and in additional expenses and collateral costs.

As a litigation or regulatory matter develops, the Company, in conjunction with any outside counsel handling the matter, evaluates on an ongoing basis whether such matter presents a loss contingency that is probable and estimable. If, at the time of evaluation, the loss contingency is not both probable and reasonably estimable, the matter will continue to be monitored for further developments that would make such loss contingency both probable and reasonably estimable. Once the matter is deemed to be both probable and reasonably estimable, the Company will establish an accrued liability and record a corresponding amount to litigation related expense. The Company will continue to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established. For certain matters, the Company may consider a loss to be probable but cannot calculate a precise estimate of losses. For these matters, the Company may be able to estimate a range of possible loss. In determining whether it is possible to provide an estimate of loss or range of possible loss, the Company reviews and evaluates its material litigation and regulatory matters on an ongoing basis, in conjunction with any outside counsel handling the matter.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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As of June 30, 2021 (Successor), there were no matters that the Company considered to be both probable or reasonably possible for which they could estimate losses or a reasonable range of estimated losses.

The Company is a defendant in four representative lawsuits alleging violations of the California Labor Code and brought pursuant to the California Private Attorneys General Act (“PAGA”). The cases have been coordinated and currently are in discovery. Due to the unpredictable nature of litigation generally and the wide discretion afforded the Court in awarding civil penalties in PAGA actions, the outcome of these matters cannot presently be determined. Although the actions are being vigorously defended, the Company could, in the future, incur judgments or enter into settlements of claims that could have a negative effect on its results of operations in any particular period.

Legal expenses, which includes, among other things, settlements and the fees paid to external legal service providers, were \$0.6 million for the Successor period from April 1, 2021 to June 30, 2021 and \$4.2 million for the Predecessor period from January 1, 2021 to March 31, 2021. Legal expenses for the Predecessor were \$4.0 million and \$7.5 million for the three months ended and six months ended June 30, 2020, respectively. These expenses are included in general and administrative expenses in the Consolidated Statements of Operations.

### **23. Commitments and Contingencies**

#### ***Servicing of Mortgage Loans***

The Company has contracted with third-party providers to perform specified servicing functions on its behalf. These services include maintaining borrower contact, facilitating borrower advances, generating borrower statements, and facilitating loss-mitigation strategies in an attempt to keep defaulted borrowers in their homes.

For reverse mortgages, defaults on loans leading to foreclosures may occur if borrowers fail to meet maintenance obligations, such as payment of taxes or home insurance premiums. When a default cannot be cured, the sub-servicers manage the foreclosure process and the filing of any insurance claims with HUD. The sub-servicers have responsibility for remitting timely advances and statements to borrowers and timely and accurate claims to HUD, including compliance with local, state and federal regulatory requirements. Although the Company has outsourced its servicing function, as the issuer, the Company has responsibility for all aspects of servicing of the HECM loans and related HMBS beneficial interests under the terms of the servicing contracts, state laws and regulations.

Additionally, the sub-servicers are also responsible for remitting payments to investors, including interest accrued and interest shortfalls and funding advances such as taxes and home insurance premiums. Advances are typically remitted by the Company to the sub-servicers on a daily basis.

Contractual sub-servicing fees related to sub-servicer arrangements are generally based on a fixed dollar amount per loan and are included in general and administrative expenses in the Consolidated Statements of Operations.

#### ***Unfunded Commitments***

The Company is required to fund further borrower advances (where the borrower has not fully drawn down the HECM, HomeSafe Flex and Select, or fix & flip loan proceeds available to them), and to additionally fund the payment of the borrower’s obligation to pay the FHA their monthly insurance premium.

The outstanding unfunded commitments available to borrowers related to HECM loans were approximately \$2.4 billion as of June 30, 2021 (Successor), compared to \$2.1 million as of December 31, 2020 (Predecessor). The outstanding unfunded commitments available to borrowers related to fix & flip loans were approximately \$10.7 million and \$18.8 million, respectively, as of June 30, 2021 (Successor) and December 31, 2020 (Predecessor). This additional borrowing capacity is primarily in the form of undrawn lines of credit.

The Company also has commitments to purchase and sell loans totaling \$12.3 million and \$163.9 million, respectively, at June 30, 2021 (Successor), compared to \$10.2 million and \$54.3 million, respectively, at December 31, 2020 (Predecessor).

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

---

***Mandatory Repurchase Obligation***

The Company is required to repurchase reverse loans out of the GNMA securitization pools once the outstanding principal balance of the related HECM is equal to or greater than 98% of the MCA. Performing repurchased loans are conveyed to HUD and nonperforming repurchased loans are generally liquidated in accordance with program requirements. Loans are considered nonperforming upon events such as, but not limited to, the death of the mortgagor, the mortgagor no longer occupying the property as their principal residence, or the property taxes or insurance are not being paid.

As an issuer of HMBS, the Company also has the option to repurchase reverse loans out of the GNMA securitization pools without GNMA prior approval in certain instances. These situations include the borrower requesting an additional advance that causes the outstanding principal balance to be equal or greater than 98% of the MCA; the borrower's loan becoming due and payable under certain circumstances; the borrower not occupying the home for greater than twelve consecutive months for physical or mental illness and the home is not the residence of another borrower; or the borrower failing to perform in accordance with the terms of the loan.

For each HECM loan that the Company securitizes into Agency HMBS, the Company is required to covenant and warrant to GNMA, among other things, that the HECM loans related to each participation included in the Agency HMBS are eligible under the requirements of the National Housing Act and the GNMA Mortgage-backed Securities Guide, and that the Company will take all actions necessary to ensure the HECM loan's continued eligibility. The GNMA HMBS program requires that the Company removes the participation related to any HECM loan that does not meet the requirements of the GNMA Mortgage-backed Securities Guide. In addition to securitizing HECM loans into Agency HMBS, the Company may sell HECM loans to third parties, and the agreements with such third parties include standard representations and warranties related to such loans, which if breached, may require the Company to repurchase the HECM loan and/or indemnify the purchaser for losses related to such HECM loans. In the case where the Company repurchases the loan, the Company bears any subsequent credit loss on the loan. To the extent that the Company is required to remove a loan from an Agency HMBS, purchase a loan from a third party or indemnify a third party, the potential losses suffered by the Company may be reduced by any recourse the Company has to the originating broker and/or correspondent lender, if applicable, to the extent such entity breached similar or other representations and warranties. Under most circumstances, the Company has the right to require the originating broker/correspondent to repurchase the related loan from the Company and/or indemnify the Company for losses incurred. The Company seeks to manage the risk of repurchase and associated credit exposure through the Company's underwriting and quality assurance practices.

**24. Incentive Compensation**

***Equity-Based Compensation***

Pursuant to the terms of the A&R MLTIP, FoA has two major types of equity-based compensation granted to employees, henceforth referred to as Replacement Restricted Stock Units ("Replacement RSUs") and Earnout Right Restricted Stock Units ("Earnout Right RSUs"). The issuance of the Replacement RSUs and Earnout Right RSUs to employees under the A&R MLTIP will be funded by the exchange of

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

current Class A Common Stock and Class A LLC Units held by the unitholders of FoA Equity prior to the closing of the Business Combination. Therefore, the shares issued to employees under the A&R MLTIP will not result in incremental share ownership in the Company, and the total compensation costs associated with the vesting of the Replacement RSUs and Earnout Right RSUs will be directly allocated to the noncontrolling interest and, with respect to Blocker GP, to FoA in proportion to their sharing percentages of exchanged units.

*Replacement RSUs*

Pursuant to the terms of the A&R MLTIP executed on October 28, 2020, the Company granted each employee who held Phantom Units in FoA Equity and remained employed as of the Replacement RSU grant date, April 1, 2021, in consideration for the cancellation of a portion of their Phantom Units, Replacement RSUs that will vest into shares of Class A Common Stock.

Following the terms of the A&R MLTIP, 25% of the Replacement RSUs will vest on the Replacement RSU grant date, and the remaining 75% will vest in equal installments on each of the first three anniversaries of the closing of the Business Combination, subject to each holder's continued employment.

*Earnout Right RSUs*

In addition to the Replacement RSUs, participants in the A&R MLTIP are entitled to receive additional Earnout Right RSUs depending on whether the Company achieves certain market-based conditions. The market-based vesting conditions have been factored into the grant date fair value measurement of the Earnout Right RSUs using a Monte Carlo simulation. The assumptions used in the Monte Carlo simulation model included a volatility rate of 60%, risk free rate of 1.14% and a weighted average expected term of 1.06 years for the first tranche of Earnout Right RSUs and 1.52 years for the second tranche of Earnout Right RSUs.

Earnout Right RSUs have the same service-based vesting conditions listed above for the Replacement RSUs along with market-based vesting conditions. The first tranche of Earnout Right RSUs vest upon satisfaction of the service-based vesting conditions and if, at any time during the six years following the Closing, the VWAP of FoA's Class A Common Stock is greater than or equal to \$12.50 for any twenty Trading Days within a period of thirty consecutive Trading Days (the date when the foregoing is first satisfied, the "First Earnout Achievement Date"). The second tranche of Earnout Right RSUs vest upon satisfaction of the service-based vesting conditions and if, at any time during the six years following the Closing, the VWAP of FoA's Class A Common Stock is greater than or equal to \$15.00 for any twenty Trading Days within a period of thirty consecutive Trading Days (the date when the foregoing is first satisfied, the "Second Earnout Achievement Date").

The Replacement RSUs and the Earnout Right RSUs are classified as equity and FoA accounts for the RSUs following the fair value method. Both the Replacement RSUs' and Earnout Right RSUs' fair values are fixed on the grant date and not remeasured unless the award is subsequently modified.

A summary of the Replacement RSU and Earnout Right RSU activity from grant until June 30, 2021 is presented below in thousands, except for share information:

	Number of Units Unvested	Number of Units Vested	Total Number of Units	Grant Date Fair Value	
				Weighted Average Price Per Unit	Total Fair Value
<b>Replacement RSUs</b>					
<b>Outstanding, April 1, 2021</b>	—	—	—		
Granted	14,819,483	—	14,819,483	\$ 9.48	\$140,489
Vested	(4,066,069)	4,066,069	—	\$ 9.48	\$ 38,546
<b>Outstanding, June 30, 2021</b>	<u>10,753,414</u>	<u>4,066,069</u>	<u>14,819,483</u>		

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

No Replacement RSUs are expected to vest from July 1, 2021 to December 31, 2021. Sharebased compensation expense for the Replacement RSUs totaled \$47.1 million for the period from April 1, 2021 to June 30, 2021. Unrecognized sharebased compensation expense totaled \$93.4 million as of June 30, 2021 (Successor).

	Number of Units Unvested	Number of Units Vested	Total Number of Units	Grant Date Fair Value	
				Weighted Average Price Per Unit	Total Fair Value
<b>Earnout Right RSUs</b>					
<b>Outstanding, April 1, 2021</b>	—	—	—		
Granted	1,550,880	—	1,550,880	\$ 8.91	\$13,811
<b>Outstanding, June 30, 2021</b>	<u>1,550,880</u>	<u>—</u>	<u>1,550,880</u>		

No Earnout Right RSUs are expected to vest from July 1, 2021 to December 31, 2021. Sharebased compensation expense for the Earnout Right RSUs totaled \$2.2 million for the period from April 1, 2021 to June 30, 2021. Unrecognized sharebased compensation expense totaled \$11.6 million as of June 30, 2021 (Successor).

**Long-Term Incentive Plan**

On January 1, 2015, the Company established a long-term incentive plan (the “Plan”) to compensate key employees. Any distributions are based on distributions received by equity holders of the Company in excess of the contributed equity capital, plus a designated return on contributed equity capital (the “Hurdle”).

The phantom units are accounted for as a profit-sharing arrangement, as they do not represent a substantive form of equity and were not indexed to the price of UFG common units.

In connection with the Closing of the Business Combination, which occurred on April 1, 2021, the holders of Phantom Units (,077 units outstanding) received one-time lump sum cash payments totaling \$24.0 million as it relates to the achievement of the Hurdle being met under the original terms of the Plan.

The cash payment of \$24.0 million relates to prior services provided solely for the benefit of the Company and not for ongoing services to be provided in the future that would benefit the post-combination entity. Given that the payment was triggered by the distributions made in connection with the successful closing of the Business Combination, the payment of \$24.0 million is considered to have been incurred “on the line.” The balance of the Company’s obligation under the Plan was replaced by the issuance of equity-based compensation described above as governed by the Amended and Restated Management Long-Term Incentive Plan.

**25. Changes in Contingently Redeemable Noncontrolling Interest**

FoA Equity determined that the Class B interests of FACo Holdings issued to Buy to Rent Platform Holdings, L.P. (“B2R”) meet the definition of CRNCI. Under the FACo Holdings Agreement, the Class B Units may be redeemed upon sale of FACo by FACo Holdings, sale of FAH, or sale of UFG Holdings LLC, which would require FAH to purchase the outstanding Class B Units. FoA Equity determined that the legal provisions in the FACo Holdings Agreement in which there is a noncontrolling interest represent a substantive profit-sharing arrangement, where the allocation to the members differs from the stated ownership percentages. FoA Equity utilized the hypothetical liquidation at book value, or HLBV, method for the allocation of profits and losses each period. Under the HLBV method, the amount of income and loss attributed to the noncontrolling interests in the Consolidated Statements of Operations reflects changes in the amounts each member would hypothetically receive at each Consolidated Statement of Financial Condition date under the liquidation provisions of the FACo Holdings Agreement, assuming the net assets of the FACo Holdings were liquidated at their respective recorded amounts. Allocations of profits and losses in the Consolidated Statements of Operations is determined based on the hypothetical amounts that would be distributed to members after taking into account any capital transactions between FACo Holdings and its members as follows:

- Distributions up to Hurdle Amount of \$202.0 million (subject to certain adjustments defined in the FACo Holdings Agreement)—100% to Class B Members;

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

- Distributions of the next \$150.0 million—95% to Class A Members and 5% to Class B Members, and;
- Thereafter—75% to Class A Members and 25% to Class B Members.

In connection with the closing of the Business Combination disclosed in Note 4—Acquisitions, FoA caused Finance of America Holdings LLC to exercise its right under the FACo Holdings Agreement to purchase all of the outstanding Class B Units held by B2R for a redemption price of \$203.2 million in satisfaction of the applicable Hurdle Amount under the FACo Holdings Agreement. The changes in CRNCI are as follows (in thousands):

<b>Predecessor:</b>	
Balance at December 31, 2019 (audited)	\$ 187,981
Net loss	(15,386)
Balance at March 31, 2020	172,595
Net loss	(2,620)
Balance at June 30, 2020	<u>\$ 169,975</u>
Balance at December 31, 2020 (audited)	\$ 166,231
Net income	4,260
Accretion to redemption price	32,725
Balance at March 31, 2021	<u>203,216</u>
<b>Successor:</b>	
Balance at April 1, 2021	\$ 203,216
Settlement of CRNCI in connection with the Business Combination	(203,216)
Balance at June 30, 2021	<u>\$ —</u>

**26. General and Administrative Expenses**

General and administrative expenses consisted of the following (in thousands):

	April 1, 2021 to June 30, 2021	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
	Successor	Predecessor		
Title and closing	\$ 25,191	\$ 25,061	\$ 12,682	\$ 28,677
Loan origination expenses	17,725	20,503	14,126	34,573
Depreciation and amortization	16,462	3,484	3,488	6,957
Loan portfolio expenses	15,433	15,200	9,426	18,603
Communications and data processing	12,568	11,324	8,025	14,327
Securitization expenses	10,831	6,944	8,349	8,349
Business development	9,647	10,607	9,321	17,590
Licensing and insurance	3,457	2,487	1,474	3,266
Fair value change in deferred purchase price liability	1,760	30	(62)	—
Other expenses	6,227	31,577	14,385	27,438
<b>Total general and administrative expenses</b>	<u>\$ 119,301</u>	<u>\$ 127,217</u>	<u>\$ 81,214</u>	<u>\$ 159,780</u>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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**27. Business Segment Reporting**

The Company has identified six reportable segments: Mortgage Originations, Reverse Originations, Commercial Originations, Portfolio Management, Lender Services and Corporate/Other.

*Mortgage Originations*

The Mortgage Originations segment originates mortgage loans through FAM. This segment generates revenue through fee-based mortgage loan origination services and the origination and sale of mortgage loans into the secondary market. The Mortgage Originations segment includes four channels: distributed retail lending, direct-to-consumer lending, third-party-originator lending, and home improvement.

*Reverse Originations*

The Reverse Originations segment originates or acquires reverse mortgage loans through FAR. This segment originates HECMs which are insured by the FHA, and non-agency reverse mortgages. The segment originates reverse mortgage loans through the following channels: retail and third-party-originator. Reverse mortgage lending activities primarily consist of the origination and securitization of mortgage loans to GNMA and other private investors.

*Commercial Originations*

The Commercial Originations segment originates or acquires commercial mortgage loans through FACo. The segment provides business purpose lending solutions for residential real estate investors in two principal ways: short-term loans to provide rehab and construction of investment properties meant to be sold upon completion, and investor rental loans collateralized by either a single property or portfolio of properties. The segment originates commercial mortgage loans through the following channels: retail and third-party-originator. Commercial mortgage lending activities primarily consist of the origination and securitization of commercial mortgages to private investors.

*Portfolio Management*

The Portfolio Management segment provides product development, loan securitization, loan sales, risk management, asset management and servicing oversight services to the enterprise and third-party funds.

*Lender Services*

The Lender Services segment provides ancillary business services, title agency and title insurance services, MSR valuation and trade brokerage, and appraisal management services to customers in the residential mortgage, student lending, and commercial lending industries. The segment also operates a foreign branch in the Philippines for fulfillment transactional and administrative support.

*Corporate and Other*

Corporate and other consists of the Business Excellence Office (“BXO”) and other corporate services groups.

The Company’s segments are based upon the Company’s organizational structure which focuses primarily on the services offered. Corporate functional expenses are allocated to individual segments based on actual cost of services performed based on a direct resource utilization, estimate of percentage use for shared services or headcount percentage for certain functions. Non-allocated corporate expenses include administrative costs of executive management and other corporate functions that are not directly attributable to the Company’s operating segments. Revenues generated on inter-segment services performed are valued based on similar services provided to external parties. To reconcile the Company’s consolidated results, certain inter-segment revenues and expenses are eliminated in the “Eliminations” column in the following tables.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The following tables are a presentation of financial information by segment for the periods indicated (in thousands):

April 1, 2021 to June 30, 2021									
Successor									
	Mortgage Originations	Reverse Originations	Commercial Originations	Portfolio Management	Lender Services	Total Operating Segments	Corporate and Other	Elim	Total
<b>REVENUES</b>									
Gain on sale of loans, net	\$ 185,386	\$ —	\$ —	\$ 7,748	\$ —	\$ 193,134	\$ —	\$ (5,557)	\$ 187,577
Net fair value gains	—	94,536	10,822	11,223	—	116,581	—	14,570	131,151
Fee income	30,345	954	12,124	3,577	81,130	128,130	—	(37,266)	90,864
Net interest income (expense)	1,976	(9)	—	(15,851)	(15)	(13,899)	(6,567)	(9)	(20,475)
<b>Total revenues</b>	<b>217,707</b>	<b>95,481</b>	<b>22,946</b>	<b>6,697</b>	<b>81,115</b>	<b>423,946</b>	<b>(6,567)</b>	<b>(28,262)</b>	<b>389,117</b>
<b>Total expenses</b>	<b>224,191</b>	<b>42,246</b>	<b>20,049</b>	<b>33,190</b>	<b>73,317</b>	<b>392,993</b>	<b>36,021</b>	<b>(28,262)</b>	<b>400,752</b>
<b>Other, net</b>	<b>—</b>	<b>104</b>	<b>140</b>	<b>(245)</b>	<b>83</b>	<b>82</b>	<b>(2,185)</b>	<b>—</b>	<b>(2,103)</b>
<b>Net (loss) income before taxes</b>	<b>\$ (6,484)</b>	<b>\$ 53,339</b>	<b>\$ 3,037</b>	<b>\$ (26,738)</b>	<b>\$ 7,881</b>	<b>\$ 31,035</b>	<b>\$ (44,773)</b>	<b>\$ —</b>	<b>\$ (13,738)</b>
Depreciation and amortization	\$ 1,433	\$ (151)	\$ 127	\$ (107)	\$ 2,818	\$ 4,120	\$ 12,342	\$ —	\$ 16,462
Total assets	2,994,779	768,229	109,434	17,996,903	336,687	\$22,206,032	2,115,780	(2,093,874)	\$22,227,938

January 1, 2021 to March 31, 2021									
Predecessor									
	Mortgage Originations	Reverse Originations	Commercial Originations	Portfolio Management	Lender Services	Total Operating Segments	Corporate and Other	Elim	Total
<b>REVENUES</b>									
Gain on sale of loans, net	\$ 286,481	\$ —	\$ —	\$ 5,065	\$ —	\$ 291,546	\$ —	\$ (212)	\$ 291,334
Net fair value gains	—	68,449	5,431	2,750	—	76,630	—	33	76,663
Fee income	32,731	524	8,930	36,191	76,383	154,759	—	6,612	161,371
Net interest expense	891	—	—	(14,816)	(36)	(13,961)	(7,744)	—	(21,705)
<b>Total revenues</b>	<b>320,103</b>	<b>68,973</b>	<b>14,361</b>	<b>29,190</b>	<b>76,347</b>	<b>508,974</b>	<b>(7,744)</b>	<b>6,433</b>	<b>507,663</b>
<b>Total expenses</b>	<b>224,246</b>	<b>23,693</b>	<b>13,391</b>	<b>24,406</b>	<b>62,970</b>	<b>348,706</b>	<b>18,683</b>	<b>5,955</b>	<b>373,344</b>
<b>Other, net</b>	<b>—</b>	<b>34</b>	<b>149</b>	<b>895</b>	<b>2</b>	<b>1,080</b>	<b>(9,464)</b>	<b>(478)</b>	<b>(8,862)</b>
<b>Net income (loss) before taxes</b>	<b>\$ 95,857</b>	<b>\$ 45,314</b>	<b>\$ 1,119</b>	<b>\$ 5,679</b>	<b>\$ 13,379</b>	<b>\$ 161,348</b>	<b>\$ (35,891)</b>	<b>\$ —</b>	<b>\$ 125,457</b>
Depreciation and amortization	\$ 1,423	\$ 151	\$ 125	\$ 146	\$ 1,268	\$ 3,113	\$ 371	\$ —	\$ 3,484
Total assets	2,425,529	35,861	82,375	17,378,088	125,317	\$20,047,170	379,562	(326,313)	\$20,100,419

Finance of America Companies Inc. and Subsidiaries  
Notes to Unaudited Consolidated Financial Statements

For the three months ended June 30, 2020									
Predecessor									
	Mortgage Originations	Reverse Originations	Commercial Originations	Portfolio Management	Lender Services	Total Operating Segments	Corporate and Other	Elim	Total
<b>REVENUES</b>									
Gain on sale of loans, net	\$ 298,333	\$ —	\$ —	\$ —	\$ —	\$ 298,333	\$ —	\$ (42)	\$ 298,291
Net fair value gains	—	54,689	21	57,237	—	111,947	—	356	112,303
Fee income	33,795	509	350	1,431	44,312	80,397	28	(3,769)	76,656
Net interest expense	778	—	—	(19,708)	(42)	(18,972)	(2,804)	(15)	(21,791)
<b>Total revenues</b>	<b>332,906</b>	<b>55,198</b>	<b>371</b>	<b>38,960</b>	<b>44,270</b>	<b>471,705</b>	<b>(2,776)</b>	<b>(3,470)</b>	<b>465,459</b>
<b>Total expenses</b>	<b>215,958</b>	<b>22,156</b>	<b>6,552</b>	<b>21,374</b>	<b>39,554</b>	<b>305,594</b>	<b>16,573</b>	<b>(3,470)</b>	<b>318,697</b>
<b>Other, net</b>	—	—	—	—	—	—	(28)	—	(28)
<b>Net income (loss) before taxes</b>	<b>\$ 116,948</b>	<b>\$ 33,042</b>	<b>\$ (6,181)</b>	<b>\$ 17,586</b>	<b>\$ 4,716</b>	<b>\$ 166,111</b>	<b>\$ (19,377)</b>	<b>\$ —</b>	<b>\$ 146,734</b>
Depreciation and amortization	\$ 1,520	\$ 286	\$ 142	\$ 11	\$ 1,050	\$ 3,009	\$ 479	\$ —	\$ 3,488
Total assets	\$1,816,879	\$ 86,335	\$ 59,439	\$16,194,177	\$92,413	\$18,249,243	\$484,973	\$(638,216)	\$18,096,000

For the six months ended June 30, 2020									
Predecessor									
	Mortgage Originations	Reverse Originations	Commercial Originations	Portfolio Management	Lender Services	Total Operating Segments	Corporate and Other	Elim	Total
<b>REVENUES</b>									
Gain on sale of loans, net	\$ 425,624	\$ —	\$ —	\$ 5,617	\$ —	\$ 431,241	\$ —	\$ (2,266)	\$ 428,975
Net fair value gains	—	89,278	8,582	25,881	—	123,741	—	1,942	125,683
Fee income	54,322	1,112	11,185	2,392	85,570	154,581	44	(7,998)	146,627
Net interest expense	1,264	—	—	(44,481)	(33)	(43,250)	(4,220)	(82)	(47,552)
<b>Total revenues</b>	<b>481,210</b>	<b>90,390</b>	<b>19,767</b>	<b>(10,591)</b>	<b>85,537</b>	<b>666,313</b>	<b>(4,176)</b>	<b>(8,404)</b>	<b>653,733</b>
<b>Total expenses</b>	<b>354,149</b>	<b>40,740</b>	<b>22,442</b>	<b>38,746</b>	<b>78,149</b>	<b>534,226</b>	<b>23,222</b>	<b>(8,404)</b>	<b>549,044</b>
<b>Other, net</b>	—	—	—	—	—	—	(44)	—	(44)
<b>Net income (loss) before taxes</b>	<b>\$ 127,061</b>	<b>\$ 49,650</b>	<b>\$ (2,675)</b>	<b>\$ (49,337)</b>	<b>\$ 7,388</b>	<b>\$ 132,087</b>	<b>\$ (27,442)</b>	<b>\$ —</b>	<b>\$ 104,645</b>
Depreciation and amortization	\$ 3,087	\$ 455	\$ 306	\$ 23	\$ 2,105	\$ 5,976	\$ 981	\$ —	\$ 6,957
Total assets	\$1,816,879	\$ 86,335	\$ 59,439	\$16,194,177	\$92,413	\$18,249,243	\$484,973	\$(638,216)	\$18,096,000

28. Liquidity and Capital Requirements

FAM

In addition to the covenant requirements of FAM mentioned in Note 18—Other Financing Lines of Credit, FAM is subject to various regulatory capital requirements administered by HUD as a result of their mortgage origination and servicing activities. HUD governs non-supervised, direct endorsement mortgagees, and GNMA, FNMA and FHLMC, which sponsor programs that govern a significant portion of FAM's mortgage loans sold and servicing activities. Additionally, FAM is required to maintain minimum net worth requirements for many of the states in which it sells and services loans. Each state has its own minimum net worth requirement; however, none of the state requirements are material to the Company's Consolidated Financial Statements.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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Failure to meet minimum capital requirements can result in certain mandatory remedial actions and potentially result in additional discretionary remedial actions by regulators that, if undertaken, could: (i) remove FAM's ability to sell and service loans to or on behalf of the Agencies; and (ii) have a direct material effect on FAM's financial statements, results of operations and cash flows.

In accordance with the regulatory capital guidelines, FAM must meet specific quantitative measures of cash, assets, liabilities, profitability and certain off-balance sheet items calculated under regulatory accounting practices. Further, changes in regulatory and accounting standards, as well as the impact of future events on FAM's results, may significantly affect FAM's net worth adequacy.

Among FAM's various capital requirements related to its outstanding mortgage origination and servicing agreements, the most restrictive of these requires FAM to maintain a minimum adjusted net worth balance as of the end of the most recent fiscal quarter of \$149.9 million as of June 30, 2021 (Successor). FAM's adjusted net worth was \$191.4 million as of June 30, 2021 (Successor). FAM is also subject to requirements related to material declines in quarterly and two consecutive quarter tangible net worth. As a result of impacts from the Business Combination, FAM was not in compliance with the quarterly and two consecutive quarter tangible net worth requirements required by FNMA. The Company received a waiver for the covenant violation from FNMA as of June 30, 2021 (Successor).

In addition, FAM is required to maintain both fidelity bond and errors and omissions insurance coverage at tiered levels based on the aggregate UPB of the loans serviced by FAM throughout the year. FAM is required to conduct compliance testing at least quarterly to ensure compliance with the foregoing requirements. As of June 30, 2021 (Successor), FAM was in compliance with applicable requirements.

***FAR***

As an issuer of HMBS, FAR is required by GNMA to maintain minimum net worth, liquidity and capitalization levels as well as minimum insurance levels.

The net worth required is \$5.0 million plus 1% of FAR's commitment authority from GNMA. The liquidity requirement is for 20% of FAR's required net worth to be in the form of cash or cash equivalent assets. FAR is required to maintain a ratio of 6% of net worth to total assets.

At June 30, 2021 (Successor), FAR was in compliance with the minimum net worth, liquidity and insurance requirements of GNMA and had received a permanent waiver for its capital requirement. The minimum tangible net worth required of FAR by GNMA was \$101.3 million at June 30, 2021 (Successor). FAR's actual net worth calculated based on GNMA guidance was \$438.3 million at June 30, 2021 (Successor). The Company was therefore in compliance with all net worth requirements.

In addition, FAR is required to maintain both fidelity bond and errors and omissions insurance coverage at tiered levels based on the aggregate UPB of the loans serviced by FAR throughout the year. FAR is required to conduct compliance testing at least quarterly to ensure compliance with the foregoing requirements. As of June 30, 2021 (Successor), FAR was in compliance with applicable requirements.

***Incenter***

Incenter Securities Group LLC ("ISG"), one of the operating subsidiaries of Incenter, operates in a highly regulated environment and is subject to federal and state laws, SEC rules and Financial Industry Regulatory Authority ("FINRA") rules and guidance. Applicable laws and regulations, among other things, restrict permissible activities and require compliance with a wide range of financial and customer-related protections. The consequences of noncompliance can include substantial monetary and nonmonetary sanctions. In addition, ISG is subject to comprehensive examination by its regulators. These regulators have broad discretion to impose restrictions and limitations on the operations of the Company and to impose sanctions for noncompliance. ISG is subject to the SEC's Uniform Net Capital Rule (SEC Rule 15c3-1) ("the Rule"), which requires the maintenance of minimum net capital. ISG computes net capital under the alternative method. Under this method, the required minimum net capital is equal to \$0.3 million. At June 30, 2021 (Successor), ISG met the minimum net capital requirement amounts and was therefore in compliance.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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Additionally, ISG claims the exemption provision of SEC Rule 15c3-3(k)(2)(ii). ISG does not hold customer funds or safekeep customer securities. The Company introduces and clears its customers' transactions through a third-party on a fully-disclosed basis.

Agents National Title Insurance Company ("Agents"), an operating subsidiary of Incenter, has additional capital requirements. The State of Missouri and State of Alabama require domestic title insurance underwriters maintain minimum capital and surplus of \$1.6 million and \$0.2 million, respectively. Failure to comply with these provisions may result in various actions up to and including surrender of the certificate of authority. Additionally, in October 2019, Agents entered into a capital maintenance agreement in conjunction with the approval for the certificate of authority for California. This agreement requires Agents to maintain a minimum of \$8.0 million in policyholder surplus. If Agents falls below this requirement in any given quarter, Incenter must contribute cash, cash equivalents securities or other instruments to bring Agents in compliance. The Company's insurance company subsidiaries met the existing minimum statutory capital and surplus requirements as of June 30, 2021 (Successor).

The Company is also required to maintain bonds, certificates of deposit and interest bearing accounts in accordance with applicable state regulatory requirements. The total requirement was \$3.5 million across all states as of June 30, 2021 (Successor). The Company was in compliance with these requirements as of June 30, 2021 (Successor).

**29. Concentrations of Risk**

The Company's activities are subject to significant risks and uncertainties, including the ability of management to adequately develop its service lines, acquire adequate customer and revenue bases, and overall market demand for its services. In addition, the Company engages in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Financial instruments, which potentially subject the Company to credit risk, consist of cash and cash equivalents, derivatives, loans held for sale, and loans held for investment.

The Company invests its excess cash balances that may exceed federal insured limits with financial institutions evaluated as being creditworthy, primarily in money market accounts which are exposed to minimal interest rate and credit risk. The balances of these accounts are insured by the Federal Deposit Insurance Corporation, subject to certain limitations.

Credit risk is reduced by the Company's underwriting standards, monitoring pledged collateral and other in-house monitoring procedures performed by management. The Company's credit exposure for amounts due from investors and derivative related receivables is minimized since its policy is to sell mortgages only to highly reputable and financially sound financial institutions.

Mortgage loans are sold or financed through one of the following methods: (i) sales or financing securitizations to or pursuant to programs sponsored by FNMA, FHLMC, and GNMA, or (ii) sales or financing securitizations issued to private investors. The Company sold \$6,421.2 million for the Successor period from April 1, 2021 to June 30, 2021 and \$7,696.6 million for the Predecessor period from January 1, 2021 to March 31, 2021 in mortgage loans to FNMA, FHLMC and GNMA. The Company sold \$7,274.4 million for the Predecessor three months ended June 30, 2020 and \$10,850.6 million for the Predecessor six months ended June 30, 2020 in mortgage loans to FNMA, FHLMC and GNMA. The Company sold to or securitized with private investors \$1,691.9 million for the Successor period from April 1, 2021 to June 30, 2021 and \$1,724.3 million for the Predecessor period from January 1, 2021 to March 31, 2021 in mortgage loans. The Company sold to or securitized with private investors \$1,883.3 million for the Predecessor three months ended June 30, 2020 and \$3,384.1 million for the Predecessor six months ended June 30, 2020 in mortgage loans.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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For the Successor period, April 1, 2021 to June 30, 2021, the sale or financing securitizations issued to private investors consisted of 3.2% nonperforming loans and 66.8% other. For the Predecessor period from January 1, 2021 to March 31, 2021, the sales or financing securitizations issued to private investors consisted of 33.1% nonperforming repurchased loans and 66.9% other.

The Company's sales or financing securitizations issued to private investors for the Predecessor three months ended June 30, 2020 consisted of 6.8% non-agency reverse mortgage loans, 23.5% commercial loans, 0.1% nonperforming repurchased loans, 3.3% third-party financial institutions, and 26.3% other. The Company's sales or financing securitizations issued to private investors for the Predecessor six months ended June 30, 2020 consisted of 31.9% non-agency reverse mortgage loans, 13.1% commercial loans, 11.0% nonperforming repurchased loans, 6.9% third-party financial institutions, and 37.1% other.

The Company is partially owned by Libman Family Holdings, LLC, certain investment funds affiliated with Blackstone and otherco-investors. In the ordinary course of conducting business, a portion of these mortgage loans sold or financed relate to certain commercial transactions that the Company enters into with a counterparty that is a non-affiliated company separately owned by certain other investment funds affiliated with Blackstone. The nature of its business interactions with this counterparty may allow the Company to negotiate preferential terms of commercial transactions that may not be available for other parties on an arm's-length basis. These commercial transactions include the transfer of certain residential mortgage loans, in which the Company may receive an ongoing service fee. The Company sold mortgage loans to non-affiliated Blackstone portfolio companies of \$33.4 million for the Successor period from April 1, 2021 to June 30, 2021 and \$84.6 million for the Predecessor period from January 1, 2021 to March 31, 2021. The Company sold mortgage loans to non-affiliated Blackstone portfolio companies of \$98.7 million for the Predecessor six months ended June 30, 2020. In addition, the Company is also contracted by certain non-affiliated Blackstone portfolio companies to provide sub-advisor services in areas such as asset management and administrative oversight, in which the Company receives an advisory fee. The Company has recognized gains on the sale of mortgages related to transactions with non-affiliated Blackstone portfolio companies of \$0.9 million for the Successor period from April 1, 2021 to June 30, 2021 and \$4.0 million for the Predecessor period from January 1, 2021 to March 31, 2021. The Company recognized gains on the sale of mortgages related to transactions with non-affiliated Blackstone portfolio companies of \$4.7 million for the Predecessor six months ended June 30, 2020. There were no sales of loans or gains recognized from sales to non-affiliated Blackstone portfolio companies for the Predecessor three months ended June 30, 2020.

In July 2017, the Company entered into a \$45.0 million mezzanine financing agreement with a non-affiliated company, separately owned by other investment funds affiliated with Blackstone, secured by a junior lien in mortgage assets pledged to certain senior secured warehouse facilities. This facility was structured as a loan and security agreement. The funds advanced are generally repaid using collections from the underlying assets to the extent remaining after the payment of any senior debt or the proceeds from the sale or securitization of the underlying assets or distribution from underlying securities, although prior payment may be required based on, among other things, certain breaches of representations and warranties or other events of default. This financing agreement was amended in May 2021 from \$45 million to \$25 million. As of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), the Company had outstanding borrowings of \$20.9 million and \$21.5 million, respectively.

Residential Mortgages

The mortgaged properties securing the residential loans that we service are geographically dispersed throughout the United States. Certain states may experience future weakened economic conditions or greater rates of decline in real estate values than the United States in general. In addition, certain states may change their licensing or other regulatory requirement to make servicing loans in these states cost-prohibitive.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

The table below provides the percentage of residential mortgage loans serviced by the location in which the home securing the loan is located and is based on the outstanding UPB. "Other" consists of loans in states in which concentration individually represents less than 5% of total remaining UPB.

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	Successor	Predecessor
California	36%	37%
Oregon	8	7
Washington	8	8
Arizona	6	6
New Jersey	5	5
Other	37	37
	<u>100%</u>	<u>100%</u>

Reverse Mortgages

FAR originates, buys and sells HECMs, commonly referred to as reverse mortgages, and securitizes and sells the HECMs as HMBS. FAR is subject to approval of, and is heavily regulated by, federal and state regulatory agencies as a mortgage lender, GNMA issuer, broker and servicer.

The secondary market for the FHA insured HECM loans is not assured; to the extent the program requires Congressional appropriations in future years, which are not forthcoming, the program could be jeopardized; and/or, consumer demand could be reduced if FHA actions result in a reduction of initial principal limit available to borrowers.

FAR depends on its ability to securitize reverse mortgages, subsequent draws, mortgage insurance premiums and servicing fees, and would be adversely affected if the ability to access the secondary market were to be limited.

Concentrations of credit risk associated with reverse mortgage loans are limited due to the large number of customers and their dispersion across many geographic areas. The table below provides the percentage of reverse loans in the Company's Consolidated Statements of Financial Condition by the location in which the home securing the loan is located and is based on their remaining UPBs. "Other" consists of loans in states in which concentration individually represents less than 5% of total remaining UPB.

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	Successor	Predecessor
California	44%	44%
New York	8	8
Florida	5	5
Texas	5	5
Other	38	38
	<u>100%</u>	<u>100%</u>

A significant portion of the Company's non-agency reverse mortgage products are originated within the state of California. The Company's non-agency reverse mortgage production concentration by location is presented in the following table. The Company's total origination volume in any other states did not exceed 5% of the total origination volume, and were included in the "Other" balance.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
California	79%	84%
Other	21	16
	<u>100%</u>	<u>100%</u>

Loans previously repurchased out of a HMBS pool (“HECM Buyouts”) that were subsequently securitized also contain concentrations of credit risk as they are limited due to the dispersion across many geographic areas. The table below provides the percentage of securitized nonperforming HECM buyouts in the Company’s Consolidated Statements of Financial Condition by the location in which the home securing the loan is located and is based on their remaining UPBs. “Other” consists of loans in states in which concentration individually represents less than 5% of total remaining UPB.

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
Puerto Rico	16%	21%
New York	16	15
California	10	9
Texas	10	9
Florida	6	5
Other	42	41
	<u>100%</u>	<u>100%</u>

Puerto Rico’s economy has been in a serious recession since the second quarter of 2006, and its economic downturn has been generally much worse than that of the United States. Further, Hurricane Maria in 2017 has further stressed the economy and infrastructure in Puerto Rico, resulting in extensive loss of water supplies and electricity.

Regulatory agencies require all properties in affected areas to be inspected for “acceptable” condition prior to any transaction occurring with or on behalf of the GSEs or HUD (including foreclosure sale, property conveyance, sale/funding/transfers of originated loans to third parties, etc.). This required inspection may cause delays in foreclosures and settlement of claims. Additionally, in certain circumstances when there are uninsured losses, the Company may be responsible for repairs to the properties if not done by the homeowner.

In its determination of fair value amounts for loans that are in disaster impacted areas, the Company has provided for increased expectations of loss severities due to delays in processing claims and uninsured losses. These estimates are based on management’s best estimates of anticipated losses. Actual results may differ from the estimates due to external factors.

Commercial Mortgages

The economies of states where mortgage properties are concentrated may be adversely affected to a greater degree than the economies of other areas of the country. The table below provides the percentage of loans on the Company’s Consolidated Statements of Financial Condition by the location in which the home securing the loan is located and is based on their remaining UPBs. “Other” consists of loans in states in which concentration individually represents less than 5% of total remaining UPB.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	<u>June 30, 2021</u> Successor	<u>December 31, 2020</u> Predecessor
Illinois	7%	7%
Minnesota	8	5
New Jersey	6	9
New York	3	7
California	4	9
Connecticut	2	5
Florida	5	6
Texas	5	5
New Mexico	13	1
Other	47	46
	<u>100%</u>	<u>100%</u>

Incenter

The Company's title and closing revenue had two major referral partners accounting for approximately 23% of revenue for the Successor period from April 1, 2021 to June 30, 2021 and 21% of revenue for the Predecessor period from January 1, 2021 to March 31, 2021. The two major referral partners also made up a significant portion of revenue for the Predecessor periods with 25% of revenue for the three months ended June 30, 2020 and 23% of revenue for the six months ended June 30, 2020.

Ratings have always been an important factor in establishing the competitive position of insurance companies. Ratings reflect the opinion of a rating agency with regard to an insurance company's or insurance holding company's financial strength, operating performance and ability to meet its obligations to policyholders and are not evaluations directed to investors. The Company's insurance subsidiary is rated by Demotech and, as of June 30, 2021 (Successor), the rating assigned was A (Exceptional). The Company is subject to continued periodic review by the rating agency and the continued retention of the rating cannot be assured. If the rating is reduced from the current level or the ratings of the Company's insurance title underwriter are downgraded, the results of operations could be adversely affected.

**30. Related Party Transactions**

The Company transacts with various related parties as a part of normal day-to-day operations. Outstanding receivables from related parties were \$0.0 million and \$2.6 million as of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), respectively.

Promissory Notes

In June 2019, the Company executed two Revolving Working Capital Promissory Note Agreements (the "2019 Promissory Notes") with BTO Urban Holdings and Libman Family Holdings, LLC, which are deemed affiliates of the Company. The 2019 Promissory Notes accrued interest monthly at a rate of 10.0% per annum and matured and were paid in full in June 2020. For the three months ended June 30, 2020 of the Predecessor, the Company paid interest of \$2.5 million related to the 2019 Promissory Notes. For the six months ended June 30, 2020 of the Predecessor, the Company paid interest of \$2.9 million related to the 2019 Promissory Notes. For the Predecessor period from January 1, 2021 to March 31, 2021 and the Successor period from April 1, 2021 to June 30, 2021, the Company paid no interest related to the 2019 Promissory Notes.

Agricultural Loans

In 2019, the Company entered into an Amended and Restated Limited Liability Company Agreement with FarmOp Capital Holdings, LLC ("FarmOps") in which the Company acquired an equity investment in FarmOps. Subsequent to this agreement, the Company agreed to purchase originated agricultural loans from FarmOps. The Company

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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purchased agricultural loans and had total funded draw amounts of \$46.3 million and \$53.4 million, respectively, for the Successor period from April 1, 2021 to June 30, 2021 and \$83.0 million and \$82.1 million, respectively, for the Predecessor period from January 1, 2021 to March 31, 2021. The Predecessor purchased agricultural loans and had total funded draw amounts of \$12.0 million and \$11.5 million, respectively, for the three months ended June 30, 2020 and \$76.7 million and \$67.1 million, respectively, for the six months ended June 30, 2020.

The Company had promissory notes outstanding with FarmOps of \$3.3 million and \$0.8 million as of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), respectively.

Cloudvirga

In 2017 and 2019, the Company purchased preferred and common stock investments in Cloudvirga, Inc. (“Cloudvirga”). Subsequent to its investment, the Company entered into a software development arrangement in which Cloudvirga agreed to develop software in addition to providing certain technology services for the Company. In May 2021, Cloudvirga merged with an unaffiliated third party, causing the liquidation of all shares held by the Company. As such, the fair value assumptions used to determine the holding value of such preferred equity were updated by the Company and resulted in an impairment of the equity investment of \$9.3 million in the Predecessor period from January 1, 2021 to March 31, 2021. As a result of this liquidation of the held shares of Cloudvirga by certain subsidiaries of the Company, the related party relationship was terminated.

For the Predecessor period from January 1, 2021 to March 31, 2021, \$1.7 million was capitalized related to the development of the software and will be amortized over a 12 month period from the date placed in service. Professional fees paid to Cloudvirga, in exchange for the technology services, by the Predecessor were \$0.6 million for the Predecessor period from January 1, 2021 to March 31, 2021, \$0.3 million for the Predecessor three months ended June 30, 2020 and \$0.8 million for the Predecessor six months ended June 30, 2020.

Nonrecourse MSR Financing Liability, at Fair Value

In 2020, the Company entered into a nonrevolving facility commitment with various related parties, to sell beneficial interests in the servicing fees generated from its originated or acquired MSRs. Under these agreements, the Company has agreed to sell excess servicing income or pay an amount equal to excess servicing income to third parties, in each case, taking into account cost of servicing and ancillary income related to the identified MSRs in exchange for an upfront payment equal to the purchase price or fair value of the identified MSRs. These transactions are accounted for as financings.

As of June 30, 2021 (Successor) and December 31, 2020 (Predecessor), the Company had an outstanding advance of \$22.1 million and \$14.9 million against this commitment for the purchase of MSRs with a fair value of \$18.9 million and \$14.1 million, respectively.

The Company has also entered into Investment Management Agreements with these third parties to serve as the investment manager, in which the Company performs various advisory services to the investors in exchange for a management fees. Management fees amounted to \$0.1 million for the Successor period from April 1, 2021 to June 30, 2021 and for the Predecessor period from January 1, 2021 to March 31, 2021. There were no managements fees paid for the Predecessor three months ended June 30, 2020 or the Predecessor six months ended June 30, 2020 as the nonrevolving facility commitment during these periods.

Senior Notes

Related parties of FoA purchased notes in the high-yield debt offering in November 2020 in an aggregate principal amount of \$35.0 million.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**31. Condensed Financial Information of Registrant (Parent Company Only)**

**Finance of America Companies Inc.**  
**(Parent company only)**  
**Condensed Statements of Financial Condition**  
(Dollars in thousands)

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>Successor</u>	<u>Predecessor</u>
<b>ASSETS</b>		
Fixed assets and leasehold improvements, net	\$ —	\$ 23
Investment in subsidiaries	<b>814,440</b>	639,011
Other assets, net	—	2,184
<b>TOTAL ASSETS</b>	<b>\$ 814,440</b>	<b>\$ 641,218</b>
<b>LIABILITIES AND EQUITY</b>		
Payables and other liabilities	<b>\$ 76,469</b>	\$ 13,033
<b>TOTAL LIABILITIES</b>	<b>\$ 76,469</b>	<b>\$ 13,033</b>
<b>EQUITY</b>		
FoA Equity Capital LLC member's equity	—	628,176
Class A Common Stock (Successor), \$0.0001 par value; 6,000,000,000 shares authorized; 59,881,714 shares issued and outstanding at June 30, 2021	<b>6</b>	—
Additional paid-in capital (Successor)	<b>807,521</b>	—
Accumulated deficit (Successor)	<b>(69,548)</b>	—
Accumulated other comprehensive (loss) income	<b>(8)</b>	9
<b>TOTAL EQUITY</b>	<b>737,971</b>	628,185
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 814,440</b>	<b>\$ 641,218</b>

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**Finance of America Companies Inc.**  
**(Parent Company Only)**  
**Condensed Statements of Operations and Comprehensive Income**  
(Dollars in thousands)

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the three months ended June 30, 2020	For the six months ended June 30, 2020
<b>REVENUES</b>				
Interest expense	\$ —	\$ (46)	\$ (2,477)	\$ (3,601)
<b>TOTAL REVENUES</b>	<b>—</b>	<b>(46)</b>	<b>(2,477)</b>	<b>(3,601)</b>
<b>EXPENSES</b>				
Salaries and benefits	—	4,041	3,162	4,263
Occupancy and equipment rentals	—	161	143	312
General and administrative	—	357	215	736
<b>TOTAL EXPENSES</b>	<b>—</b>	<b>4,559</b>	<b>3,520</b>	<b>5,311</b>
<b>OTHER, NET</b>	<b>(2,152)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET LOSS BEFORE INCOME TAXES</b>	<b>(2,152)</b>	<b>(4,605)</b>	<b>(5,997)</b>	<b>(8,912)</b>
Provision for income taxes applicable to parent	(99)	—	—	—
<b>NET LOSS</b>	<b>(2,053)</b>	<b>(4,605)</b>	<b>(5,997)</b>	<b>(8,912)</b>
Equity in undistributed income from subsidiaries	4,318	124,464	154,332	129,997
<b>NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST</b>	<b>2,265</b>	<b>119,859</b>	<b>148,335</b>	<b>121,085</b>
Other comprehensive (loss) income	(8)	(11)	18	11
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO CONTROLLING INTEREST</b>	<b>\$ 2,257</b>	<b>\$ 119,848</b>	<b>\$ 148,353</b>	<b>\$ 121,096</b>

As disclosed in Note 2—Summary of Significant Accounting Policies, FoA is a holding company and has a controlling interest in FoA Equity. FoA did not have any cash as of June 30, 2021 (Successor), accordingly Condensed Statements of Cash Flows have not been presented. Management determined which assets and liabilities were to be used by the operating subsidiaries, and these amounts have been appropriately excluded from the parent company Condensed Statements of Financial Position of FoA presented above. Changes in these balances are reflected as additional contributions and distributions from FoA Equity in the period in which they occur, and had no impact on any cash balances that may have otherwise been maintained at FoA.

***Basis of Presentation***

The parent company financial statements should be read in conjunction with the Company's Consolidated Financial Statements and the accompanying notes thereto. The parent company follows the same accounting policies as disclosed in Note 2—Summary of Significant Accounting Policies to the Company's Consolidated Financial Statements. For purposes of this condensed financial information, the Company's consolidated subsidiaries are recorded based upon its proportionate share of the subsidiaries net assets (similar to presenting them on the equity method).

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**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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Since restricted net assets of FoA and its subsidiaries exceed 25% of the consolidated net assets of the Company and its subsidiaries, the accompanying condensed parent company financial statements have been prepared in accordance with Rule 12-04 Schedule 1 of Regulation S-X.

***Dividends from Subsidiaries***

There were no cash dividends paid to the parent from the Company's consolidated subsidiaries for the Successor period from April 1, 2021 to June 30, 2021 and \$75.0 million for the Predecessor period from January 1, 2021 to March 31, 2021. There were no cash dividends paid to parent from the Company's consolidated subsidiaries for the three months ended June 30, 2020 or the six months ended June 30, 2020.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**32. Income Taxes**

The components of income tax expense were as follows:

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Net (loss) income before income taxes	\$ (13,738)	\$ 125,457	\$ 146,734	\$ 104,645
Provision for income taxes	1,086	1,137	448	766
Effective tax provision rate	(7.91)%	0.91%	0.31%	0.73%

The Company's income tax expense varies from the expense that would be expected based on statutory rates due principally to its organizational structure. Prior to the Business Combination, FoA Equity operated as a U.S. Partnership which, generally, are not subject to federal and state income taxes. Post transaction, FoA's effective tax rate differs from the U.S.'s statutory rate primarily due to the noncontrolling interest associated with the portion of FoA Equity income not allocable to FoA and treatment of certain non-recurring transactions related to the Replacement RSUs, which are accounted for as discrete items in the interim period in which they occur rather than incorporated into the calculation of the estimated annual effective tax rate.

FoA is taxed as a corporation and is subject to corporate federal, state and local taxes on the income allocated to it from FoA Equity, based upon FoA's economic interest in FoA Equity, as well as any stand-alone income or loss it generates. FoA Equity and its disregarded subsidiaries are treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, FoA Equity is not subject to U.S. federal and certain state and local income taxes. FoA Equity's members, including FoA, are liable for federal, state and local income taxes based on their allocable share of FoA Equity's pass-through taxable income, which includes income of FoA Equity's subsidiaries that are treated as disregarded entities separate from FoA Equity for income tax purposes.

FoA Equity wholly owns Campus Door Inc., BNT Title Company of California, ANTIC Inc. and Silvernest Inc., which are regarded corporate subsidiaries for tax purposes. FoA Equity's regarded corporate subsidiaries are subject to corporate federal, state and local taxes on income they generate. As such, the consolidated tax provision of FoA addresses corporate taxes that it incurs based on its flow-through income from FoA Equity as well as corporate taxes that are incurred by its regarded subsidiaries.

As a result of the Business Combination, the Company recognized a deferred tax liability ("DTL") in the net amount of \$4.5 million to account for the difference between the Company's book and tax basis in its investment in FoA Equity. Furthermore, the Company recognizes deferred tax assets to the extent it believes these assets are more-likely-than-not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

The Company recognizes uncertain income tax positions when it is not more-likely-than-not a tax position will be sustained upon examination. As of June 30, 2021 (Successor), the Company has recognized uncertain tax positions related to positions taken at the lower tier regarded corporate subsidiaries named above. The Company accrues interest and penalties related to uncertain tax positions as a component of the income tax provision. No interest or penalties were recognized in income tax expense for the Successor period from April 1, 2021 to June 30, 2021 or for the Predecessor period from January 1, 2021 to March 31, 2021. No interest or penalties were recognized in income tax expense for the Predecessor three months ended and six months ended June 30, 2020. Tax positions taken in tax years that remain open under the statute of limitations will be subject to examinations by tax authorities. With few exceptions, the Company is no longer subject to state or local examinations by tax authorities for tax years ended December 31, 2016 or prior.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**33. Earnings Per Share**

Basic net income per share is based on the weighted average number of shares of Class A Common Stock issued and outstanding during the Successor period. Diluted net income per share is based on the weighted average number shares of Class A Common Stock issued and outstanding and the effect of all dilutive common stock equivalents and potentially dilutive share based compensation awards outstanding during the Successor period.

For the Predecessor periods, FoA Equity’s capital structure consisted of a single class of outstanding membership units which are held by one member, UFG. Therefore, the Company has omitted earnings per unit for the Predecessor period due to the limited number of LLC unit holders for the Predecessor periods presented.

The following table reconciles the numerators and denominators used in the computations of both basic and diluted earnings per share for the Successor period (in thousands, except for share amounts):

	April 1, 2021 to <u>June 30, 2021</u> Successor
<b>Basic net income (loss) per share:</b>	
<b>Numerator</b>	
Net loss	\$ (14,824)
Less: loss attributable to noncontrolling interests <sup>(1)</sup>	(17,089)
Net income attributable to holders of Class A Common Stock—basic	<u>\$ 2,265</u>
<b>Denominator</b>	
Weighted average shares of Class A Common Stock outstanding—basic	<u>59,881,714</u>
<b>Basic net income per share</b>	<u><u>\$ 0.04</u></u>

<sup>(1)</sup> The Class A LLC Units of FoA Equity, held by the Continuing Unitholders, which comprise the noncontrolling interest in FoA, represents a participating security. Therefore, the numerator was adjusted to reduce net income by the amount of net income attributable to noncontrolling interests. Additionally, the Class B Common Stock does not participate in earnings or losses of the Company and therefore is not a participating security. The Class B Common Stock has not been included in either the basic or diluted net income per share calculations. Loss attributable to noncontrolling interest includes special allocations of recognized expense related to the A&R MLTIP. See Note 24 - Incentive Compensation for additional details.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

	April 1, 2021 to June 30, 2021 <u>Successor</u>
<i>(in thousands, except for share amounts)</i>	
<b>Diluted net loss per share:</b>	
<b>Numerator</b>	
Net income attributable to holders of Class A Common Stock	\$ 2,265
Reallocation of net loss assuming exchange of Class A LLC Units <sup>(2)</sup>	<u>(12,001)</u>
Net loss attributable to holders of Class A Common Stock—diluted	<u>\$ (9,736)</u>
<b>Denominator</b>	
Weighted average shares of Class A Common Stock outstanding—basic	59,881,714
Effect of dilutive securities:	
Assumed exchange of Class A LLC Units for shares of Class A Common Stock <sup>(3)</sup>	<u>131,318,286</u>
Weighted average shares of Class A Common Stock outstanding—diluted	<u>191,200,000</u>
<b>Diluted net loss per share</b>	<u><u>\$ (0.05)</u></u>

<sup>(2)</sup> This adjustment assumes the after-tax elimination of noncontrolling interest due to the assumed exchange of all Class A LLC Units outstanding for shares of Class A Common Stock in FoA as of the beginning of the period following the if-converted method for calculating diluted net income per share.

Following the terms of the A&R LLC Agreement, the Class A LLC unitholders will initially bear approximately 85% of the cost of any vesting associated with the Replacement RSUs and Earnout Right RSUs prior to any distribution by FoA to such Class A LLC unitholders. The remaining compensation cost associated with the Replacement RSUs and Earnout Right RSUs will be shared by Blocker. As a result of the application of the if-converted method, in arriving at diluted net income per share, the entirety of the compensation cost associated with vesting of the Replacement RSUs and Earnout Right RSUs is assumed to be included in the net income attributable to holders of the Company's Class A Common Stock.

<sup>(3)</sup> The diluted weighted average shares outstanding of Class A Common Stock includes the effects of the if-converted method to reflect the provisions of the Exchange Agreement and assume the Class A LLC unitholders of FoA Equity, representing the noncontrolling interest, exchange their units on a one-for-one basis for shares of Class A Common Stock in FoA.

In addition to the Class A LLC Units, the Company also had Replacement RSUs outstanding during the period from April 1, 2021 to June 30, 2021. The effects of the Replacement RSUs following the treasury stock method have been excluded from the computation of diluted net income per share given that the if-converted method was determined to be more dilutive.

### 34. Sponsor Earnout

Contemporaneously with the execution of the Transaction Agreement, the initial shareholders entered into an amendment and restatement of the existing Sponsor Agreement (as amended and restated, the "Sponsor Agreement") with FoA, Replay and FoA Equity, pursuant to which, in connection with the Closing of the Business Combination, among other things, (i) immediately prior to the Domestication (as defined below), the 7,750,000 of private placement warrants (the "Private Warrants" and, together with the Public Warrants, the "Warrants") owned by the Sponsor were exchanged for 775,000 ordinary shares which then converted into shares of Class A Common Stock and (ii) excluding the 90,000 Founder Shares held by Replay's independent directors (unless transferred to any other initial shareholder or permitted transferee thereof) that were converted into shares of Class A Common Stock and immediately vested, 40% of the Founder Shares held by the Sponsor (2,839,000 shares) were converted into vested Class A Common Stock and became wholly owned by the Sponsor immediately prior to the Closing of the Business Combination and 60% of the Founder Shares held by the Sponsor (4,258,500 shares) were converted into unvested shares of Class A Common Stock and are subject to vesting and forfeiture in accordance with certain terms and conditions, as laid out below.

If at any time during the six years following the Closing, the VWAP of FoA's Class A Common Stock is greater than or equal to \$2.50 for any twenty (20) Trading Days within a period of thirty (30) consecutive Trading Days ("First

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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Sponsor Earnout Achievement Date”) then 35% of the total Founder Shares owned by each Sponsor Person shall vest. If the First Sponsor Earnout Achievement Date has not occurred within six years of the Closing Date the Founder Shares that were eligible to vest shall not vest and shall be forfeited.

If at any time during the six years following the Closing, the VWAP of FoA’s Class A Common Stock is greater than or equal to \$5.00 for any twenty (20) Trading Days within a period of thirty (30) consecutive Trading Days (“Second Sponsor Earnout Achievement Date”) then 25% of the total Founder Shares owned by each Sponsor Person shall vest. If the Second Sponsor Earnout Achievement Date has not occurred within six years of the Closing Date the Founder Shares that were eligible to vest shall not vest and shall be forfeited.

Given that the Sponsor Agreement was issued to the acquirers of FoA Equity, and not to the sellers of FoA Equity, the Pre-Closing Equity Holders, the Sponsor Agreement was not accounted for as consideration transferred and did not impact the purchase price paid by Replay. Instead the Sponsor Agreement was accounted for separately from the other provisions of the Transaction Agreement. The Company classified the Sponsor Agreement as an equity transaction. Given the equity classification, the Sponsor shares were measured at a fair value of \$38.1 million upon the consummation of the Transaction Agreement the date of issuance, and will not be subsequently remeasured. Additionally, the settlement of the Sponsor Agreement will be accounted for within equity, if and when the First or Second Earnout Achievement Date occurs.

The fair value was determined by using a Monte Carlo simulation to forecast the future daily price per share of Class A Common Stock over a six-year time period. The Sponsor Earnout will terminate if after six years following the Closing Date, neither the First nor Second Sponsor Earnout Achievement Dates are met; or FoA is sold.

### **35. Equity**

#### **Class A Common Stock**

As of June 30, 2021 (Successor), there were 64,140,214 shares of Class A Common Stock outstanding, consisting of 59,881,714 vested shares and 4,258,500 unvested shares that are subject to vesting and forfeiture. The 4,258,500 unvested shares of Class A Common Stock relate to the Sponsor Earnout, further discussed in Note 34. The 4,258,500 unvested shares of Class A Common Stock are not entitled to receive any dividends or other distributions, do not have any other economic rights until such shares are vested, and will not be entitled to receive back dividends or other distributions or any other form of economic “catch-up” once they become vested. The holders of the 59,881,714 vested shares of Class A Common Stock represent the controlling interest of the company. Refer to Note 34—Sponsor Earnout for additional details regarding the unvested shares.

#### **Class B Common Stock**

Upon the Closing of the Business Combination, the Company issued 7 shares of Class B Common Stock, par value \$0.0001 per share, to holders of Class A LLC Units. The Class B Common Stock has no economic rights but entitles each holder of at least one such share (regardless of the number of shares so held) to a number of votes that is equal to the aggregate number of Class A LLC Units held by such holder on all matters on which shareholders of the Company are entitled to vote generally.

#### **Class A LLC Units**

In connection with the Business Combination, the Company, FoA Equity and the Continuing Unitholders entered into an Exchange Agreement (the “Exchange Agreement”). The Exchange Agreement sets forth the terms and conditions upon which holders of Class A LLC Units may exchange their Class A LLC Units for shares of Class A Common Stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. The Continuing Unitholders’ ownership of Class A LLC Units represents the noncontrolling interest of the Company, which is accounted for as permanent equity on the Consolidated Statements of Financial Condition. As of June 30, 2021 (Successor), there were 191,200,000 Class A LLC Units outstanding. Of the 191,200,000 Class A LLC Units outstanding, 59,881,714 are held by the Class A Common Stock shareholders and 131,318,286 are held by the noncontrolling interest of the Company.

**Finance of America Companies Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

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**36. Subsequent Events**

The Company has evaluated subsequent events from the date of the Consolidated Financial Statements of June 30, 2021 through August 16, 2021, the date these Consolidated Financial Statements were issued. No events or transactions were identified that would have an impact on the financial position or results of operations of the Company as of June 30, 2021 (Successor) as reported herein. However, management of the Company believes disclosure of the following events is appropriate.

***Securizations***

***Reverse Loan Securitization***

In July 2021, the Company securitized approximately \$296.0 million of its reverse mortgage loans, through the issuance of approximately \$331.9 million of mortgage backed notes, which accrue interest at an annual rate of 1.3% on a weighted average basis on the principal balance of the notes and have a scheduled final maturity date occurring in July 2026. The \$331.9 million of mortgage backed notes were issued at a weighted average price of 98.3%. The principal and interest on the outstanding notes will be paid using the cash flows from the related reverse mortgage loans, which serve as collateral for the debt. The securitization is callable by the Company with the optional redemption date being any date beginning with the payment date occurring in July 2024. This securitization will be accounted for as a secured financing in the Company's Consolidated Statements of Financial Condition.

***FarmOps***

In July 2021, upon meeting the contractual exercise condition, the Company exercised its warrant for the purchase of 6,426,015 Series A-2 Convertible Preferred Units of FarmOp at the contractual cash exercise price of \$0.0001 per unit. Following this exercise, FoA's percentage of fully-diluted equity ownership of FarmOp is 36.4%.

***Financing Lines of Credit***

The July 2021 \$200.0 million facility was amended in July 2021. Under the terms of the new amended agreement, the maturity date was extended to July 2022.

The August 2021 \$300.0 million facility was amended in August 2021. Under the terms of the new amended agreement, the maturity date was extended to September 2021.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations ("MD&A") should be read together with our consolidated financial statements and related notes. This discussion and analysis contains forward-looking statements that involve risk, uncertainties and assumptions. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors. Except where the context otherwise requires, the terms "Finance of America Companies," "Finance of America," "FoA," "we," "us," or "our" refer to the business of Finance of America Companies Inc. and its consolidated subsidiaries.*

### Overview

Finance of America Companies Inc. is a vertically integrated, diversified lending platform that connects borrowers with investors. We offer a diverse set of high quality consumer loan products and distribute financial risk to investors for an up-front cash profit and typically some future performance-based participation. We believe we have a differentiated, less volatile strategy than mono-line mortgage lenders who focus on originating interest rate sensitive traditional mortgages and retain significant portfolios of mortgage servicing rights with large potential future advancing obligations. In addition to our profitable lending operations, we provide a variety of services to lenders through our Lender Services segment, which augments our lending profits with an attractive fee-oriented revenue stream. Our differentiated strategy is built upon a few key fundamental factors:

- We operate in a diverse set of lending markets that benefit from strong, secular tailwinds and are each influenced by different demand drivers, which we believe results in stable and growing earnings with lower volatility and lower mortgage market correlation than a traditional mortgage company.
- We seamlessly connect borrowers with investors. Our consumer-facing business leaders interact directly with the investor-facing professionals in our Portfolio Management segment, facilitating the development of attractive lending solutions for our customers with the confidence that the loans we generate can be efficiently and profitably sold to a deep pool of investors. While we often retain a future performance-based participation in the underlying cash flows of our loan products, we seek to programmatically and profitably monetize most of our loan products through a variety of investor channels, which minimizes capital at risk.
- We distribute our products through multiple channels, and utilize flexible technology platforms and a distributed workforce in order to scale our businesses and manage costs efficiently. Our businesses are supported by a centralized business excellence office ("BXO"), providing all corporate support, including IT, Finance and Accounting, Treasury, Human Resources, Legal, Risk and Compliance. This platform enables us to be product agnostic, with the ability to focus our resources as the opportunity set evolves while not being overly reliant on any individual product. As borrower demands for lending products change, we are able to change with them and continue to offer desirable lending solutions.

Today, we are principally focused on (1) residential mortgage loan products throughout the U.S., offering traditional mortgage loans, reverse mortgage loans, and (2) business purpose loans to real estate investors. We have built a distribution network that allows our customers to interact with us through their preferred method: in person, via a broker or digitally. Our product offering diversity makes us resilient in varying rate and origination environments, and differentiates us from traditional mortgage lenders. Our Lender Services segment supports a range of financial institutions, including our lending companies, with services such as title insurance and settlement services, appraisal management, valuation and brokerage services, fulfillment services, and technology platforms for student loans and consumer loans. In addition to creating recurring third-party revenue streams, these service business lines allow us to better serve our lending customers and maximize our revenue per lending transaction. Furthermore, our Portfolio Management segment provides structuring and product development expertise, allowing innovation and improved visibility of execution for our originations, as well as a broker/dealer and institutional asset management capabilities. These capabilities allowed us to complete profitable sales of our loan products via securitization, including

1

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## [Table of Contents](#)

securitization during the Predecessor period from January 1, 2021 to March 31, 2021 and 3 securitizations during the Successor period from April 1, 2021 to June 30, 2021. During an otherwise volatile 2020, there were 10 securitizations, demonstrating the high quality and liquidity of the loan products we originate, the deep relationships we have with our investors and the resilience of our business model in any market environment.

### **The Business Combination**

On October 12, 2020, FoA, a Delaware corporation and wholly owned subsidiary of Replay, Replay Acquisition Corp. (“Replay”), a publicly traded special purpose acquisition company, and FoA Equity agreed to a business combination that would result in FoA becoming a publicly traded company. FoA Equity, Replay, FoA; RPLY Merger Sub LLC, a Delaware limited liability company and wholly owned subsidiary of FoA (“Replay Merger Sub”); RPLY BLKR Merger Sub LLC, a Delaware limited liability company and wholly owned subsidiary of FoA (“Blocker Merger Sub”); Blackstone Tactical Opportunities Fund (Urban Feeder) – NQ L.P., a Delaware limited partnership (“Blocker”); Blackstone Tactical Opportunities Associates – NQ L.L.C., a Delaware limited liability company (“Blocker GP”); BTO Urban Holdings L.L.C., a Delaware limited liability company (“BTO Urban”), Blackstone Family Tactical Opportunities Investment Partnership – NQ – ESC L.P., a Delaware limited partnership (“ESC”), Libman Family Holdings LLC, a Connecticut limited liability company (“Family Holdings”), The Mortgage Opportunity Group LLC, a Connecticut limited liability company (“TMO”), L and TF, LLC, a North Carolina limited liability company (“L&TF”), UFG Management Holdings LLC, a Delaware limited liability company (“Management Holdings”), and Joe Cayre (each of BTO Urban, ESC, Family Holdings, TMO, L&TF, Management Holdings and Joe Cayre, a “Seller” and, collectively, the “Sellers” or the “Continuing Unitholders”); and BTO Urban and Family Holdings, solely in their joint capacity as the representative of the Sellers pursuant to Section 12.18 of the Transaction Agreement (as defined below) (the “Seller Representative”), entered into a Transaction Agreement (the “Transaction Agreement”) pursuant to which Replay agreed to combine with FoA Equity in a series of transactions (collectively, the “Business Combination”) that resulted in FoA becoming a publicly-traded company on the New York Stock Exchange (“NYSE”) as of April 1, 2021, with trading beginning on April 5, 2021 under the ticker symbol ‘FOA’ and controlling FoA in an “UP-C” structure. For a description of the Business Combination, see FoA’s Form 8-K filed with the SEC on April 7, 2021 (the “Super8-K”).

Capitalized terms used and not defined herein have the meanings assigned to them in the Super8-K.

### **Our Segments**

We manage our Company in five reportable segments: Portfolio Management, Mortgage Originations, Reverse Originations, Commercial Originations, and Lender Services. A description of the business conducted by each of these segments is provided below:

#### *Portfolio Management*

Our Portfolio Management segment provides product development, loan securitization, loan sales, risk management, asset management and servicing oversight services to the enterprise and third-party funds. The team is primarily based in St. Paul, MN and New York, NY.

As part of the vertical integration of our business, our Portfolio Management team acts as the connector between borrowers and investors. The direct connections to investors complete the lending lifecycle in a way that allows us to innovate and manage risk through better price and product discovery. Given our scale, we are able to “do our own deals” and where appropriate, retain assets on balance sheet for attractive return opportunities. These retained investments are a source of growing and recurring earnings.

The retained asset portfolio generally consists of two classifications of assets: short-term investments and long-term investments. Short-term investments are primarily proprietary whole loans and securities that are held for sale and loans bought out from home equity conversion mortgages (“HECM”) securitizations prior to assignment to Government National Mortgage Association (“Ginnie Mae”). Long-term investments are primarily made up of mortgage servicing rights, securitized HECM loans, securitized proprietary whole loans (including retained securities and residual interests in securitization trusts), and whole loans not yet securitized.

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## [Table of Contents](#)

The retained assets are initially recorded to the portfolio at a designated fair-value-based transfer price, if originated by any of the Company's origination segments ("Net origination gains" recognized by the origination segments), or at the price purchased from external parties. Retained financial assets are subsequently recorded at their current fair value on an ongoing basis.

The Portfolio Management segment generates revenue and earnings in the form of gain on sale of loans, fair value gains, interest income, servicing income, fees for underwriting, advisory and valuation services and other ancillary fees.

### *Mortgage Originations*

Our Mortgage Originations segment originates residential mortgage loans through our Finance of America Mortgage LLC ("FAM") subsidiary. This segment generates revenue through fee-based mortgage loan origination services and the origination and sale of mortgage loans into the secondary market. We generally sell all originated mortgage loans into the secondary market within 30 days of origination and elect whether to sell or retain the rights to service the underlying mortgage loans based on the economics in the market and Company portfolio investment strategies. Whether the Company elects to sell or retain the rights to service the underlying loans, the Mortgage Originations segment realizes the fair value of the mortgage servicing rights in gain on sale. Performance of the retained mortgage servicing rights after origination are accounted for within the Portfolio Management segment results.

The Mortgage Originations segment includes four channels:

- **Distributed Retail** - Our distributed retail lending channel relies on mortgage advisors in retail branch locations across the country to acquire, interact with, and serve customers.
- **Direct to Consumer** - Our direct-to-consumer lending channel relies on our call centers, website and mobile apps to interact with customers. Our primary focus is to assist our customers with a refinance or home purchase by providing them with a needs-based approach to understanding their current mortgage options.
- **TPO** - Our third-party-originator ("TPO") lending channel works with mortgage brokers to source loans which are underwritten and funded by us in our name. Counterparty risk is mitigated through quality and compliance monitoring, and all brokers are subject to our eligibility requirements coupled with an annual recertification process.
- **Home Improvement** - Our home improvement channel is our newest distribution channel and was created through the acquisition of certain assets of Renovate America during the first quarter of 2021. This channel assists homeowners in the financing of short-term home improvement projects, such as windows, HVAC, or remodeling and relies on a network of partner contractors across the country to acquire, interact with, and serve these customers.

Our mortgage lending activities primarily consist of the origination and sale of residential mortgage loans to the government sponsored entities ("GSEs"), Federal National Mortgage Association ("Fannie Mae" or "FNMA"), Federal Home Loan Mortgage Corporation ("Freddie Mac" or "FHLMC"), and Ginnie Mae, as well as private investors. The Mortgage Originations segment generates revenue and earnings in the form of gain on sale of loans, fair value gains, interest income, servicing income, and origination fees earned on the successful origination of mortgage loans.

### *Reverse Originations*

Our Reverse Originations segment originates or acquires reverse mortgage loans through our Finance of America Reverse LLC ("FAR") subsidiary. This segment originates HECMs, and non-agency reverse mortgages, referred to as "non-agency reverse mortgages."

We securitize HECMs into Home Equity Conversion Mortgage-Backed Securities ("HMBS"), which Ginnie Mae guarantees, and sell them in the secondary market while retaining the rights to service. Non-agency reverse mortgages, which complement the Federal Housing Administration ("FHA") HECM for higher value homes, may be sold as whole loans to investors or held for investment and pledged as collateral to securitized nonrecourse debt obligations. Non-agency reverse mortgage loans are not insured by the FHA.

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## [Table of Contents](#)

We originate reverse mortgage loans through the following channels:

- Retail - Our retail channel consists of a centralized retail platform, which includes a telephone based platform with multiple loan officers in one location. Our retail network controls all of the loan origination process, including sourcing the borrower, processing the application, setting the interest rate, ordering appraisal and underwriting, processing, closing and funding the loan.
- TPO - Our TPO channel originates through third-party mortgage brokers and correspondent lenders. Our wholesale channel reviews and underwrites the application submitted by our mortgage brokers and correspondent lenders and approves or denies the application and sets the interest rate.

Our reverse mortgage lending activities primarily consist of the origination and securitization of mortgage loans to Ginnie Mae and other private investors. The Reverse Originations segment generates revenue and earnings in the form of fair value gains at the time of origination (“Net origination gains”) and origination fees earned on the successful origination of mortgage loans.

### *Commercial Originations*

Our Commercial Originations segment originates or acquires commercial mortgage loans through our Finance of America Commercial LLC (“FACo”) subsidiary. The segment provides business purpose lending solutions for residential real estate investors in two principal ways: short-term loans to provide rehab and construction of investment properties meant to be sold upon completion, and investor rental loans collateralized by either a single property or portfolio of properties. The segment does not provide financing for consumer-purpose, owner occupied loans or non-residential purpose commercial lending.

We originate commercial mortgage loans through the following channels:

- Retail - Our retail channel consists of sales team members located throughout the United States with concentrations in Charlotte, NC, Chicago, IL, and Irvine, CA. Our retail network controls all of the loan origination process, including sourcing the borrower, processing the application, setting the interest rate, ordering appraisal and underwriting, processing, closing and funding the loan.
- TPO - Our TPO channel originates through third-party mortgage brokers and correspondent lenders. Our wholesale channel reviews and underwrites the application submitted by our mortgage brokers and correspondent lenders and approves or denies the application and sets the interest rate.

Our commercial mortgage lending activities primarily consist of the origination, sale or securitization of commercial mortgages to private investors. The Commercial Originations segment generates revenue and earnings in the form of fair value gains at the time of origination (“Net origination gains”) and origination fees earned on the successful origination of mortgage loans.

### *Lender Services*

Our Lender Services segment provides ancillary business services, title agency and title insurance services, mortgage servicing rights (“MSR”) valuation and trade brokerage, and appraisal management services to customers in the residential mortgage, student lending, and commercial lending industries. The segment also operates a foreign branch in the Philippines for fulfillment transactional and administrative support.

Our Lender Services business typically generates revenue and earnings in the form of fee-for-service revenue or commissions on successful MSR trades.

## **Business Trends and Conditions**

There are a number of key factors and trends affecting our results of operations. A summary of key factors impacting our revenue include:

- prevailing interest rates which impact loan origination volume, with declining interest rates leading to increases in refinance volume, and an increasing interest rate environment leading to decreases in the refinance volume;
- housing market trends which also impact loan origination volume, with a strong housing market leading to higher loan origination volume, and a weak housing market leading to lower loan origination volume;
- demographic and housing stock trends which impact the addressable market size of mortgage, reverse and commercial loan originations;
- increases in loan modifications, delinquency rates, delinquency status and prepayment speeds; and
- broad economic factors such as the strength and stability of the overall economy, including the unemployment level and real estate values which have been substantially affected by the COVID-19 pandemic, further discussed below. The COVID-19 outbreak poses unique challenges to our business and the effects of the pandemic could adversely impact our ability to originate and service mortgages, manage our portfolio of assets and provide lender services and could also adversely impact our counterparties, liquidity and employees.

Other factors that may affect our cost base include trends in salaries and benefits costs, sales commissions, technology, rent, legal, compliance and other general and administrative costs. Management continually monitors these costs through operating plans.

## **Impact of COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The COVID-19 pandemic adversely impacted global financial markets and contributed to significant volatility in market liquidity and yields required by market investors in the type of financial instruments originated by the Company’s primary operating subsidiaries. In the U.S., significant fiscal stimulus measures, monetary policy actions and other relief measures have helped to moderate the negative economic impacts of COVID-19, and have supported the economic recovery which began in 2020 and continues into 2021. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was enacted into law. In March 2021, the U.S. federal government passed a \$1.9 trillion American Rescue Plan Act (“ARPA”), which together with the CARES Act and other fiscal stimulus measures put in place in 2020, provide for, among other things, funding to state and local governments, direct payments to households, support for small businesses, renter assistance and funding for transport, airlines, healthcare and education. Monetary policy decisions have included quantitative easing and the provision of liquidity to financial institutions and credit markets. In addition, housing measures, such as forbearance on mortgages and suspension of foreclosures and evictions, and various executive orders have helped to provide relief. However, no assurance can be made as to the continuation of any relief given that many of the forbearance on mortgages, foreclosure and eviction measures are set to lapse in the second half of 2021.

The full impact of the COVID-19 pandemic continues to evolve as of the date of this report. The Company’s management is actively monitoring the global situation and its effect on the Company’s financial condition, liquidity, operations, industry, and workforce. Further, the Company cannot estimate the length or gravity of the impact that the COVID-19 pandemic on the residential mortgage and commercial lending industries. As of June 30, 2021, the COVID-19 pandemic continues to impact the economic environment in which the Company conducts business. As of June 30, 2021, 551 clients, or 0.57% of the total serviced portfolio, have entered into a forbearance plan as a result of the economic impacts caused by COVID-19. As the pandemic continues, it has the potential to cause additional volatility in the financial markets and may have an adverse effect on the Company’s results of future operations, financial position, intangible assets and liquidity in fiscal year 2021. See “—Results of Operations” in this MD&A.

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## [Table of Contents](#)

The economic impacts of the COVID-19 pandemic have continued into 2021, including the implementation of the ARPA and the cessation of forbearance options and eviction moratoria. These continuing economic impacts, and the continuation of the pandemic itself, may have an adverse effect on the Company's results of future operations, financial position, intangible assets and liquidity in fiscal year 2021.

For further discussion on the potential impacts of the COVID-19 pandemic reference "Risk Factors—Risks Related to the Business of New Pubco — Risks Related to COVID-19" in our Super 8-K/A filed with the SEC on May 17, 2021.

### **Reorganization Transactions**

FoA was incorporated in October 2020 and is a financial services holding corporation, the principal asset of which is a controlling interest in FoA Equity. The business, property and affairs of FoA Equity are managed by a board of managers, appointed by FoA at its sole discretion. In periods subsequent to the April 1, 2021 closing of the Business Combination, FoA consolidates FoA Equity and reports a non-controlling interest related to the Class A LLC Units held by the Continuing Unitholders in FoA's Consolidated Financial Statements.

In connection with the consummation of the Business Combination, we executed several reorganization transactions, as a result of which the limited liability company agreement of FoA Equity was amended and restated to, among other things, reclassify its outstanding limited liability company units into a single new class of units that are referred to as "Class A LLC Units." For a description of the reorganization transactions, see "Certain Agreements Related to the Business Combination," in the Proxy Statement/Prospectus.

FoA, FoA Equity and the Continuing Unitholders entered into an exchange agreement (the "Exchange Agreement") under which they (or certain permitted transferees) have the right (subject to the terms of the Exchange Agreement) to exchange their Class A LLC Units for shares of FoA Class A Common Stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

The Continuing Unitholders hold all of the issued and outstanding shares of FoA's Class B Common Stock. The shares of Class B Common Stock have no economic rights, but entitle each holder, without regard to the number of shares of Class B Common Stock held by such holder, to a number of votes that is equal to the aggregate number of Class A LLC Units held by such holder on all matters on which shareholders of FoA are entitled to vote generally. Holders of shares of FoA's Class B Common Stock vote together with holders of FoA's Class A Common Stock as a single class on all matters on which shareholders are entitled to vote generally, except as otherwise required by law.

### **Factors Affecting the Comparability of our Results of Operations**

As a result of a number of factors, our historical results of operations are not comparable from period to period and may not be comparable to our financial results of operations in future periods. Set forth below is a brief discussion of the key factors that may impact the comparability of our results of operations in future operations.

#### ***Impact of the Business Combination***

FoA is a corporation for U.S. federal and state income tax purposes. FoA Equity was and is treated as a flow-through entity for U.S. federal income tax purposes, and as such, has generally not been subject to U.S. federal income tax at the entity level. Accordingly, other than for certain consolidated subsidiaries of FoA Equity that are structured as corporations and unless otherwise specified, the historical results of operations and other financial information presented does not include any provision for U.S. federal income tax.

FoA (together with certain corporate subsidiaries through which it owns its interest in FoA Equity) pays U.S. federal and state income taxes as a corporation on its share of our taxable income. The Business Combination was accounted for as a business combination using the acquisition method of accounting. Accordingly, the assets and liabilities, including any identified intangible assets, of FoA Equity were recorded at their fair values at the date of the consummation of the Business Combination, with any excess of the purchase price over the estimated fair value recorded as goodwill. The application of business combination accounting required the use of significant estimates and assumptions.

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## [Table of Contents](#)

As a result of the application of business combination accounting, the historical Consolidated Financial Statements of FoA Equity are not necessarily indicative of FoA's future results of operations, financial position and cash flows. For example, increased tangible and intangible assets resulting from adjusting the basis of tangible and intangible assets to their fair value would result in increased depreciation and amortization expense in the periods following the consummation of the Business Combination, and in the future FoA may need to recognize impairment charges related to goodwill and identified intangible assets that are adjusted to fair value.

Additionally, in connection with the Business Combination, FoA entered into TRAs with the TRA Parties that provide for the payment by FoA to such owners of 85% of the benefits that FoA is deemed to realize as a result of (i) tax basis adjustments that will increase the tax basis of the tangible and intangible assets of FoA as a result of sales or exchanges of Class A LLC Units in connection with or after the Business Combination or distributions with respect to the Class A LLC Units prior to or in connection with the Business Combination, (ii) FoA's utilization of certain tax attributes attributable to the Blocker or the Blocker Shareholders, and (iii) certain other tax benefits related to entering into the TRAs, including tax benefits attributable to payments under the TRAs.

### ***Impact of Becoming a Public Company***

We expect to incur additional costs associated with operating as a public company. We expect that these costs will include additional personnel, legal, consulting, regulatory, insurance, accounting, investor relations and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules adopted by the SEC and national securities exchanges, requires public companies to implement specified corporate governance practices that are not applicable to a private company. These additional rules and regulations increased our legal, regulatory and financial compliance costs and will make some activities more time-consuming and costly.

### **Components of Our Results of Operations**

#### ***Revenue***

Our primary sources of revenue include gains on sale and other income from mortgage loans held for sale, net, net fair value gains on mortgage loans and related obligations, fee income and net interest income (expense).

#### ***Gain on sale and other income from mortgage loans held for sale, net***

Net gain on sale and other income from mortgage loans held for sale include realized and unrealized gains and losses on loans held for sale, interest rate lock commitments, hedging derivatives, and originated mortgage servicing rights. The Company sells mortgage loans into the secondary market, including sales to the GSEs on a servicing-released basis, where the loans are sold to an investor with the associated MSR transferred to the investor or to a separate third-party investor. In addition, the Company may opportunistically sell loans on a servicing-retained basis, where the loan is sold and the Company retains the rights to service that loan. Unrealized gains and losses include fair value gains and losses resulting from changes in fair value in the underlying mortgages, interest rate lock commitments, hedging derivatives, and originated MSRs, from the time of origination to the ultimate sale of the loan or other settlement of those financial instruments.

#### ***Net fair value gains on mortgage loans and related obligations***

The majority of our outstanding financial instruments are carried at fair value. The yield recognized on these financial instruments and any changes in estimated fair value are recorded as a component of net fair value gains on mortgage loans and related obligations. See Note 5—Fair Value within our interim unaudited consolidated financial statements for a discussion of fair value measurements.

#### ***Fee Income***

We earn various fees from our customers during the process of origination and servicing of loans as well as providing services to third party customers. These fees include loan servicing and origination fees, title and closing service fees, title underwriting servicing fees, settlement fees, appraisal fees and broker fees. Revenue is recognized when the performance obligations have been satisfied, which is typically at the time of loan origination.

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## **Table of Contents**

### *Net interest income (expense)*

We earn interest income on mortgage, reverse and commercial loans held for sale. Interest expense incurred on warehouse lines of credit and non-funding debt is included in net interest income (expense). Interest income and interest expense also accrues to loans held for investment, including securitized loans subject to HMBS and other nonrecourse debt. Interest income and expense on loans held for investment and their related obligations are recorded to net fair value gains on mortgage loans and related obligations.

### ***Operating Expenses***

Our operating expenses include salaries, benefits and related expenses, occupancy, equipment rentals and other office related expenses, and general and administrative expenses.

#### *Salaries, benefits and related expenses*

Salaries, benefits and related expenses includes commissions, bonuses, salaries, benefits, taxes and all payroll related expenses for our employees.

#### *Occupancy, equipment rentals and other office related expenses*

Occupancy, equipment rentals and other office related expenses includes rent expense on office space, equipment and other related occupancy costs.

#### *General and administrative expenses*

General and administrative expenses primarily include loan origination fees, loan portfolio expenses, professional service fees, business development costs, communications and data processing costs, legal costs such as title and closing, depreciation and amortization and other expenses.

### ***Other, net***

Other, net, includes primarily gains or losses on assets, revaluation of the warrant liability, and remeasurement of the the Company's TRA obligation.

### ***Income Taxes***

FoA Equity is treated as a flow-through entity for U.S. federal income tax purposes. As a result, entity level taxes at FoA Equity are not significant. Provision for income taxes consists of tax expense primarily related to certain of the consolidated subsidiaries of FoA Equity that are structured as corporations and subject to U.S. federal income taxes as well as state taxes.

FoA (together with certain corporate subsidiaries through which it owns its interest in FoA Equity) is treated as a U.S. corporation for U.S. federal and state income tax purposes and is subject to U.S. federal income taxes with respect to its allocable share of any taxable income of FoA Equity and is taxed at the prevailing corporate tax rates. Accordingly, a provision for income taxes is recorded for the anticipated tax consequences of FoA's allocable share of FoA Equity's reported results of operations for federal income taxes. In addition to tax expenses, we also incur expenses related to our operations, as well as payments under the TRAs, which are significant. FoA Equity distributes an amount sufficient to allow FoA to pay its tax obligations and operating expenses, including distributions to fund any payments due under the TRAs. See "Certain Agreements Related to the Business Combination—Tax Receivable Agreements." However, our ability to make such distributions may be limited due to, among other things, restrictive covenants in our financing lines of credit and senior notes. FoA is a holding company and its only material asset is its direct and indirect interest in FoA Equity. FoA accordingly is dependent upon distributions from FoA Equity to pay taxes, make payments under the TRAs and pay dividends.

## [Table of Contents](#)

### Results of Operations

#### Overview

The following tables present selected financial data for the three month Successor period from April 1, 2021 to June 30, 2021, and the three month Predecessor period from January 1, 2021 to March 31, 2021. Additionally, we have presented the Predecessor periods for the three and six months ended June 30, 2020.

We have prepared our discussion of the results of operations by comparing the results of the three month Successor period from April 1, 2021 to June 30, 2021 with the results of the Predecessor period for the three months ended June 30, 2020. Additionally, we compared the results of the combined Successor period from April 1, 2021 to June 30, 2021 and Predecessor period from January 1, 2021 to March 31, 2021 with the Predecessor six months ended June 30, 2020. The core business operations of the Predecessor and Successor were not significantly impacted by the consummation of the Business Combination. Therefore, we believe the combined results for the Successor period from April 1, 2021 to June 30, 2021 and the Predecessor period from January 1, 2021 to March 31, 2021 are comparable to the six months ended June 30, 2020 and provide enhanced comparability to the reader about the current quarter's results. We believe this approach provides the most meaningful basis of comparison and is useful in identifying current business trends for the periods presented. The combined results of operations included in our discussion below are not considered to be prepared in accordance with U.S. GAAP and have not been prepared as pro forma results under applicable regulations, may not reflect the actual results we would have achieved had the Business Combination occurred at the beginning of 2021, and should not be viewed as a substitute for the results of operations of the Predecessor and Successor periods presented in accordance with U.S. GAAP.

#### Consolidated Results

The following table summarizes our consolidated operating results for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Gain on sale and other income from mortgage loans held for sale, net	\$ 187,577	\$ 291,334	\$ 298,291	\$ 428,975
Net fair value gains on mortgage loans and related obligations	131,151	76,663	112,303	125,683
Fee income	90,864	161,371	76,656	146,627
Net interest expense	(20,475)	(21,705)	(21,791)	(47,552)
<b>Total revenue</b>	<b>389,117</b>	<b>507,663</b>	<b>465,459</b>	<b>653,733</b>
<b>Total expenses</b>	<b>400,752</b>	<b>373,344</b>	<b>318,697</b>	<b>549,044</b>
<b>Other, net</b>	<b>(2,103)</b>	<b>(8,862)</b>	<b>(28)</b>	<b>(44)</b>
<b>NET (LOSS) INCOME BEFORE TAXES</b>	<b>\$ (13,738)</b>	<b>\$ 125,457</b>	<b>\$ 146,734</b>	<b>\$ 104,645</b>

[Table of Contents](#)

*Net fair value gains on mortgage loans and related obligations*

In the table below is a summary of the components of net fair value gains on mortgage loans and related obligations for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
			Predecessor	
Interest income on loans	\$ 173,940	\$ 160,568	\$ 217,841	\$ 401,513
Change in fair value of loans	84,983	(51,346)	180,904	82,338
Change in fair value of mortgage backed securities	—	—	(1,470)	817
<b>Fair value gains on mortgage loans</b>	<b>258,923</b>	<b>109,222</b>	<b>397,275</b>	<b>484,668</b>
Interest expense on related obligations	(113,474)	(119,201)	(127,488)	(261,845)
Change in fair value of derivatives	(46,478)	43,972	8,567	(5,743)
Change in fair value of related obligations	32,180	42,670	(166,051)	(91,397)
<b>Fair value losses on related obligations</b>	<b>(127,772)</b>	<b>(32,559)</b>	<b>(284,972)</b>	<b>(358,985)</b>
<b>Net fair value gains on mortgage loans and related obligations</b>	<b>\$ 131,151</b>	<b>\$ 76,663</b>	<b>\$ 112,303</b>	<b>\$ 125,683</b>

Principally, all of our outstanding financial instruments are carried at fair value. The yield recognized on these financial instruments and any changes in estimated fair value are recorded as a component of net fair value gains on mortgage loans and related obligations in the Consolidated Statements of Operations. However, for certain of our outstanding financing lines of credit, we have not elected to account for these liabilities under the fair value option. Accordingly, interest expense is presented separately on our Consolidated Statements of Operations. Accordingly, interest income on collateralized loans may be reflected in net fair value gains on mortgage loans and related obligations on the Consolidated Statements of Operations, while the associated interest expense on the pledged loans will be included as a component of net interest expense. We evaluate net interest margin (“NIM”) for our outstanding investments through an evaluation of all components of interest income and interest expense.

The following table provides an analysis of all components of NIM for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
			Predecessor	
Interest income on commercial and reverse loans	\$ 173,940	\$ 160,568	\$ 217,841	\$ 401,513
Interest expense on HMBS and nonrecourse obligations	(113,474)	(119,201)	(127,488)	(261,845)
<b>Net interest margin included in net fair value gains on mortgage loans <sup>(1)</sup></b>	<b>60,466</b>	<b>41,367</b>	<b>90,353</b>	<b>139,668</b>
Interest income on mortgage loans held for sale	13,024	12,621	11,468	19,561
Interest expense on warehouse lines of credit	(26,908)	(26,546)	(30,415)	(62,864)
Non-funding debt interest expense	(6,644)	(7,756)	(2,803)	(4,220)
Other interest income	126	40	39	117
Other interest expense	(73)	(64)	(80)	(146)
<b>Net interest expense</b>	<b>(20,475)</b>	<b>(21,705)</b>	<b>(21,791)</b>	<b>(47,552)</b>
<b>NET INTEREST MARGIN</b>	<b>\$ 39,991</b>	<b>\$ 19,662</b>	<b>\$ 68,562</b>	<b>\$ 92,116</b>

<sup>(1)</sup> Net interest margin included in fair value gains on mortgage loans includes interest income and expense on all commercial and reverse loans and their related nonrecourse obligations. Interest income on mortgage loans and warehouse lines of credit are classified in net interest expense. See Note 2—Summary of Significant Accounting Policies within the consolidated financial statements for additional information on the Company’s accounting related to commercial and reverse mortgage loans.

## Table of Contents

Certain of our financial instruments are valued utilizing a process that combines the use of a discounted cash flow model and analysis of current market data to arrive at an estimate of fair value. The cash flow assumptions and prepayment and repayment assumptions used in the model are based on various factors, with the key assumptions being prepayment and repayment speeds, credit loss frequencies and severity, and discount rate assumptions. Any changes in fair value on these financial instruments is recorded as a gain or loss in net fair value gains on mortgage loans and related obligations on the Consolidated Statements of Operations.

### For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)

Net income before taxes decreased \$160.5 million or 109.4% primarily as a result of the following:

- Gain on sale and other income from mortgage loans held for sale, net, decreased \$110.7 million or 37.1% due to lower margin on originated mortgage loans and lower origination volume during the three months from April 1, 2021 to June 30, 2021 as a result of increased interest rates and competitive pressure on margin. Our Mortgage Originations segment had \$6,668.8 million in net rate lock volume related to mortgage loans for the three months from April 1, 2021 to June 30, 2021 compared to \$6,800.9 million for the comparable 2020 period. Additionally, our margin on originated mortgage loans decreased to 2.8% for the three months from April 1, 2021 to June 30, 2021 compared to 4.4% for the comparable 2020 period.
- Net fair value gains on mortgage loans and related obligations increased \$18.8 million or 16.8% primarily as a result of origination growth within our Reverse and Commercial Originations segments. The Reverse Originations segment originated \$1,013.3 million of reverse mortgage loans for the three months from April 1, 2021 to June 30, 2021 compared to \$769.3 million for the comparable 2020 period. The Commercial Originations segment originated \$400.5 million in loans for the three months from April 1, 2021 to June 30, 2021 compared to \$14.3 million during the comparable 2020 period. The increase was partially offset by net \$20.0 million in fair value losses from assumption changes to our loans held for investment.
- Fee income increased \$14.2 million or 18.5% as a result of growth in fee income from our Lender Services segment.
- Net interest expense decreased \$1.3 million or 6.0% in 2021 due primarily to a lower average cost of funds on our financing lines of credit and increases in interest income on mortgage loans held for sale, partially offset by an increase in non-funding debt interest expense for the three months from April 1, 2021 to June 30, 2021 compared to the comparable 2020 period.
- Total expenses increased \$82.1 million or 25.7% due to higher salaries, benefits and related expenses combined with increased general and administrative expenses related to the Business Combination during the three months from April 1, 2021 to June 30, 2021 and overall enterprise growth. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$38.6 million was recognized. Additional on-going expenses of \$10.6 million for the RSUs and \$12.8 million of amortization of intangibles were recognized as a result of the Business Combination.

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Net income before taxes increased \$7.1 million or 6.8% primarily as a result of the following:

- Gain on sale and other income from mortgage loans held for sale, net, increased \$49.9 million or 11.6% as a result of higher Mortgage Originations segment volume. Our Mortgage Originations segment had \$15,074.1 million in net rate lock volume for the six months ended June 30, 2021 compared to \$13,017.1 million for the comparable 2020 period. Our margin on originated mortgage loans decreased slightly to 3.1% for the six months ended June 30, 2021 compared to 3.3% for the comparable 2020 period.

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## Table of Contents

- Net fair value gains on mortgage loans and related obligations increased by \$82.1 million or 65.3% primarily as a result of growth in our Reverse and Commercial Originations segments and lower fair value losses from assumption changes. The Reverse Originations segment originated \$1,782.1 million of reverse mortgage loans for the six months ended June 30, 2021 compared to \$1,425.6 million for the comparable 2020 period. The Commercial Originations segment originated \$741.4 million in loans for the six months ended June 30, 2021 compared to \$457.9 million during the comparable 2020 period. Fair value losses from assumption changes taken in the first half of 2021 were \$22.1 million. This compares to \$70.7 million in fair value losses from assumption changes taken in the first half of 2020 driven largely by unfavorable shocks to fair value during the early months of the COVID-19 outbreak. See Note 5—Fair Value within the consolidated financial statements for additional information on assumptions impacting the value of our loans held for investment.
- Fee income increased \$105.6 million or 72.0% as a result of our higher loan origination volumes and growth in fee income from our Lender Services segment.
- Net interest expense decreased \$5.4 million or 11.3% primarily due to a lower average cost of funds on our financing lines of credit and increases in interest income on mortgage loans held for sale, partially offset by an increase in non-funding debt interest expense for the six months ended June 30, 2021 compared to the comparable 2020 period.
- Total expenses increased \$225.1 million or 41.0% due to higher salaries, benefits and related expenses combined with increased general and administrative expenses primarily as a result of our higher loan origination volumes during the six months ended June 30, 2021, overall enterprise growth, and expenses related to the Business Combination. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$38.6 million was recognized. Additional on-going expenses of \$10.6 million for the RSUs and \$12.8 million of amortization of intangibles were recognized as a result of the Business Combination.

## **SEGMENT RESULTS**

Revenue generated on inter-segment services performed are valued based on estimated market value. Revenue and fees are directly allocated to their respective segments at the time services are performed. Expenses directly attributable to the operating segments are expensed as incurred. Other expenses are allocated to individual segments based on the estimated value of services performed, total revenue contributions, personnel headcount or the equity invested in each segment based on the type of expense allocated. Expenses for enterprise-level general overhead, such as executive administration, are not allocated to the business segments.

[Table of Contents](#)

**Portfolio Management Segment**

The following table summarizes our Portfolio Management segment results for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 <u>Successor</u>	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 <u>Predecessor</u>	For the six months ended June 30, 2020
Gain on sale and other income from mortgage loans held for sale, net	\$ 7,748	\$ 5,065	\$ —	\$ 5,617
Net fair value gains	11,223	2,750	57,237	25,881
Net interest expense	(15,851)	(14,816)	(19,708)	(44,481)
Fee income	3,577	36,191	1,431	2,392
<b>Total revenue</b>	<b>6,697</b>	<b>29,190</b>	<b>38,960</b>	<b>(10,591)</b>
<b>Total expenses</b>	<b>33,190</b>	<b>24,406</b>	<b>21,374</b>	<b>38,746</b>
<b>Other, net</b>	<b>(245)</b>	<b>895</b>	<b>—</b>	<b>—</b>
<b>NET (LOSS) INCOME BEFORE TAXES</b>	<b>\$ (26,738)</b>	<b>\$ 5,679</b>	<b>\$ 17,586</b>	<b>\$ (49,337)</b>

Our Portfolio Management segment generates its revenues primarily from the sale and securitization of residential mortgages into the secondary market, fair value gains and losses on loans and MSRs that we hold to maturity, and mortgage advisory fees earned on various investment and trading activities we provide our internal and external customers. The fair value gains and losses include the yield we recognize on the contractual interest income that is expected to be collected based on the stated interest rates of the loans and related liabilities, and any contractual service fees earned while servicing these assets.

Fair value gains and losses in our Portfolio Management segment includes fair value adjustments related to the following assets and liabilities:

- Loans held for investment, subject to HMBS liabilities, at fair value
- Loans held for investment, subject to nonrecourse debt, at fair value
- Loans held for investment, at fair value
- Mortgage servicing rights, at fair value
- Loans held for sale, at fair value<sup>(1)</sup>
- HMBS liabilities, at fair value; and
- Nonrecourse debt, at fair value.

<sup>(1)</sup> Fair value gains and losses in our Portfolio Management segment for loans held for sale only include fair value adjustments related to loans originated in the Commercial Originations segment.

[Table of Contents](#)

**KEY METRICS**

The following table provides a trend in the assets and liabilities under management by our Portfolio Management segment (in thousands):

	<u>June 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
	<u>Successor</u>	<u>Predecessor</u>
Restricted cash	\$ 352,037	\$ 303,925
Loans held for investment, subject to HMBS liabilities, at fair value	10,316,027	9,929,163
Loans held for investment, subject to nonrecourse debt, at fair value	5,424,621	5,396,167
Loans held for investment, at fair value	1,225,090	730,821
Goodwill	30,899	—
Mortgage servicing rights, at fair value	290,938	180,684
Other assets, net	158,375	165,810
<b>Total long-term investment assets</b>	<b>17,797,987</b>	<b>16,706,570</b>
Loans held for sale, at fair value	149,435	142,226
<b>Total earning assets</b>	<b>17,947,422</b>	<b>16,848,796</b>
HMBS liabilities, at fair value	10,168,224	\$ 9,788,668
Nonrecourse debt, at fair value	5,425,732	5,271,842
Other secured financing	1,597,172	1,010,669
Other liabilities	85,002	96,762
<b>Total financing of portfolio</b>	<b>17,276,130</b>	<b>16,167,941</b>
<b>Net equity in earning assets</b>	<b>\$ 671,292</b>	<b>\$ 680,855</b>

[Table of Contents](#)

The following table provides a summary of some of our Portfolio Management segment's key metrics (dollars in thousands):

	June 30, 2021 Successor	December 31, 2020 Predecessor
<b>Mortgage Servicing Rights Portfolio</b>		
Loan count	94,520	69,301
Ending unpaid principal balance ("UPB")	\$30,294,127	\$22,269,362
Average unpaid principal balance	\$ 321	\$ 321
Weighted average coupon	3.04 %	3.15%
Weighted average age (in months)	7	4
Weighted average FICO credit score	759	760
90+ day delinquency rate	0.09 %	0.1%
Total prepayment speed	10.1 %	12.1%
<b>Reverse Mortgages</b>		
Loan count	59,258	58,230
Active UPB	\$13,973,882	\$13,355,570
Due and payable	\$ 585,656	\$ 484,233
Foreclosure	\$ 340,588	\$ 348,768
Claims pending	\$ 69,285	\$ 76,346
Ending unpaid principal balance	\$14,969,411	\$14,264,917
Average unpaid principal balance	\$ 253	\$ 245
Weighted average coupon	4.00 %	4.30%
Weighted average age (in months)	44	44
Percentage in foreclosure	2.3 %	2.4%
<b>Commercial (SRL/Portfolio/Fix &amp; Flip)</b>		
Loan count	1,921	1,993
Ending unpaid principal balance	\$ 417,813	\$ 493,817
Average unpaid principal balance	\$ 217	\$ 248
Weighted average coupon	7.52 %	8.50%
Weighted average loan age (in months)	9	12
SRL conditional prepayment rate	2.4 %	2.9%
SRL non-performing (60+ DPD)	1.5 %	2.2%
F&F single month mortality	9.3 %	8.8%
F&F non-performing (60+ DPD)	17.4 %	6.5%
<b>Agricultural Loans</b>		
Loan count	74	42
Ending unpaid principal balance	\$ 159,029	\$ 69,127
Average unpaid principal balance	\$ 2,149	\$ 1,646
Weighted average coupon	7.20 %	7.70%
Weighted average loan age (in months)	4	5
Conditional prepayment rate	50.3 %	1.0%

[Table of Contents](#)

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
		Predecessor		
<b>Investment and Capital Markets</b>				
Number of structured deals	3	1	4	6
Structured deals (size in notes)	\$ 1,132,531	\$ 571,448	\$ 1,187,440	\$ 1,760,352
Number of whole loan trades	10	8	0	2
UPB of whole loan trades	\$ 218,068	\$ 195,929	\$ —	\$ 124,165

**Revenue**

In the table below is a summary of the components of our Portfolio Management segment's total revenue for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
		Predecessor		
<b>REVENUE</b>				
<b>Gain on sale and other income from mortgage loans held for sale, net</b>				
	\$ 7,748	\$ 5,065	\$ —	\$ 5,617
Interest income	147,945	149,875	198,156	360,994
Interest expense (nonrecourse)	(111,341)	(114,910)	(134,628)	(262,478)
Net fair value losses on portfolio assets	(25,381)	(32,215)	(6,291)	(72,635)
<b>Net fair value gains</b>	<b>11,223</b>	<b>2,750</b>	<b>57,237</b>	<b>25,881</b>
<b>Net interest expense</b>	<b>(15,851)</b>	<b>(14,816)</b>	<b>(19,708)</b>	<b>(44,481)</b>
Servicing income (MSR)	300	33,698	1,682	1,786
Underwriting, advisory and valuation fees	1,901	997	90	180
Asset management fees	—	9	442	953
Other fees	1,376	1,487	(783)	(527)
<b>Fee income</b>	<b>3,577</b>	<b>36,191</b>	<b>1,431</b>	<b>2,392</b>
<b>Total revenue</b>	<b>\$ 6,697</b>	<b>\$ 29,190</b>	<b>\$ 38,960</b>	<b>\$ (10,591)</b>

Principally, all of our outstanding financial instruments are carried at fair value. The yield recognized on these financial instruments and any changes in estimated fair value are recorded as a component of net fair value gains on mortgage loans and related obligations in the Consolidated Statements of Operations. However, for certain of our outstanding financing lines of credit, we have not elected to account for these liabilities under the fair value option. Accordingly, interest expense is presented separately on our Consolidated Statements of Operations. We evaluate net interest margin ("NIM") for our outstanding investments through an evaluation of all components of interest income and interest expense.

[Table of Contents](#)

The following table provides an analysis of all components of NIM for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Interest income on commercial and reverse loans	\$ 147,944	\$ 149,875	\$ 198,643	\$ 361,481
Interest expense on HMBS and nonrecourse obligations	(111,341)	(114,910)	(134,628)	(262,478)
<b>Net interest margin included in net fair value gains on mortgage loans <sup>(1)</sup></b>	<b>36,603</b>	<b>34,965</b>	<b>64,015</b>	<b>99,003</b>
Interest income on mortgage loans held for sale	187	138	309	483
Interest expense on warehouse lines of credit	(16,038)	(14,954)	(20,017)	(44,968)
Other interest income	—	—	—	4
<b>Net interest expense</b>	<b>(15,851)</b>	<b>(14,816)</b>	<b>(19,708)</b>	<b>(44,481)</b>
<b>NET INTEREST MARGIN</b>	<b>\$ 20,752</b>	<b>\$ 20,149</b>	<b>\$ 44,307</b>	<b>\$ 54,522</b>

<sup>(1)</sup> *Net interest margin included in fair value gains on mortgage loans includes interest income and expense on all commercial and reverse loans and their related nonrecourse obligations. Interest income on mortgage loans and warehouse lines of credit are classified in net interest expense. See Note 2—Summary of Significant Accounting Policies within the interim unaudited consolidated financial statements for additional information on the Company's accounting related to commercial and reverse mortgage loans.*

Certain of our financial instruments are valued utilizing a process that combines the use of a discounted cash flow model and analysis of current market data to arrive at an estimate of fair value. The cash flow assumptions and prepayment and repayment assumptions used in the model are based on various factors, with the key assumptions being prepayment speeds, credit loss frequencies and severity, and discount rate assumptions. Any changes in fair value on these financial instruments is recorded as a gain or loss in net fair value gains on mortgage loans and related obligations on the Consolidated Statements of Operations.

*For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)*

Total revenue decreased \$32.3 million or 82.8% as a result of the following:

- Interest income decreased \$50.2 million due to competitive pressure on margins in 2021 resulting in a decrease in weighted average coupon on our portfolio of loans for the three months from April 1, 2021 to June 30, 2021 compared to the comparable 2020 period.
- Interest expense on nonrecourse debt decreased \$23.3 million due to issuances of nonrecourse debt in a favorable interest rate environment during the three months from April 1, 2021 to June 30, 2021 and retirement of nonrecourse debt issued in prior periods.
- Net interest expense on our warehouse lines decreased \$3.9 million due primarily to a lower average cost of funds on our financing lines of credit.
- Net fair value losses on portfolio assets increased \$19.1 million primarily due to home price appreciation and increased prepayment speeds on our securitized reverse assets and MSR.

## [Table of Contents](#)

### *For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)*

Total revenue increased \$46.5 million or 438.8% as a result of the following:

- Interest income decreased \$63.2 million due to competitive pressure on margins in 2021 resulting in a decrease in weighted average coupon on our portfolio of loans for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.
- Interest expense on nonrecourse debt decreased \$36.2 million due to issuances of nonrecourse debt in a favorable interest rate environment during the six months ended June 30, 2021 and retirement of nonrecourse debt issued in prior periods.
- Net interest expense on our warehouse lines decreased \$13.8 million due primarily to a lower average cost of funds on our financing lines of credit.
- Net fair value losses on portfolio assets increased \$15.0 million primarily as a result of lower negative fair value adjustments for the six months ended June 30, 2021 compared to the fair value losses incurred in the same period 2020. Financial markets were significantly disrupted resulting in significant negative fair value mark-to-market adjustments during 2020.

### *Expenses*

In the table below is a summary of the components of our Portfolio Management segment's total expenses for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Salaries and bonuses	\$ 15,540	\$ 5,650	\$ 5,061	\$ 9,792
Other salary related expenses	405	497	327	696
<b>Total salaries, benefits and related expenses</b>	<b>15,945</b>	<b>6,147</b>	<b>5,388</b>	<b>10,488</b>
Securitization expenses	4,733	4,459	5,017	8,350
Servicing related expenses	8,825	8,651	7,028	12,420
Other general and administrative expenses	3,560	4,887	3,781	7,174
<b>Total general and administrative expenses</b>	<b>17,118</b>	<b>17,997</b>	<b>15,826</b>	<b>27,944</b>
Occupancy and equipment rentals	127	262	160	314
<b>Total expenses</b>	<b>\$ 33,190</b>	<b>\$ 24,406</b>	<b>\$ 21,374</b>	<b>\$ 38,746</b>

### *For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)*

Total expenses increased \$11.8 million or 55.3% as a result of the following:

- Salaries, benefits and related expenses increased \$10.6 million or 196.0%, primarily due to allocated costs associated with the Business Combination and an increase in bonus compensation. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$7.2 million was recognized. Additional on-going expenses of \$1.0 million for the RSUs were recognized as a result of the Business Combination.

## Table of Contents

- General and administrative expenses increased \$1.3 million or 8.2% primarily due to increased loan portfolio expenses related to the increase in subservicing expense on the retained MSR portfolio, which are included in servicing related expenses above, slightly offset by decreases in fees related to the securitization of assets into nonrecourse securitizations.

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Total expenses increased \$18.9 million or 48.7% as a result of the following:

- Salaries, benefits and related expenses increased \$11.6 million or 110.6%, primarily due to allocated costs associated with the Business Combination and an increase in bonus compensation. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$7.2 million was recognized. Additional on-going expenses of \$1.0 million for the RSUs were recognized as a result of the Business Combination.
- General and administrative expenses increased \$7.2 million or 25.7% primarily due to increased loan portfolio expenses related to the increase in subservicing expense on the retained MSR portfolio, which are included in servicing related expenses above and increases in fees related to the securitization of assets into nonrecourse securitizations.

### Mortgage Originations Segment

The following table summarizes our Mortgage Origination segment's results for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
		Predecessor		
Gain on sale and other income from mortgage loans held for sale, net	\$ 185,386	\$ 286,481	\$ 298,333	\$ 425,624
Fee income	30,345	32,731	33,795	54,322
Net interest income	1,976	891	778	1,264
<b>Total revenue</b>	<b>217,707</b>	<b>320,103</b>	<b>332,906</b>	<b>481,210</b>
<b>Total expenses</b>	<b>224,191</b>	<b>224,246</b>	<b>215,958</b>	<b>354,149</b>
<b>NET INCOME BEFORE TAXES</b>	<b>\$ (6,484)</b>	<b>\$ 95,857</b>	<b>\$ 116,948</b>	<b>\$ 127,061</b>

Our Mortgage Originations segment generates its revenues primarily from the origination and sale of residential mortgages, including conforming mortgages, government mortgages insured by the FHA, VA and USDA, non-conforming products such as jumbo mortgages, non-qualified mortgages, and closed-end second mortgages into the secondary market. Revenue from our Mortgage Originations segment includes cash gains recognized on the sale of mortgages, net of any estimated repurchase obligations, realized hedge gains and losses, fair value adjustments on loans held for sale, and any fair value adjustments on our outstanding interest rate lock pipeline and derivatives utilized to mitigate interest rate exposure on our outstanding mortgage pipeline. We also earn origination fees on the successful origination of mortgage loans which are recorded at the time of origination of the associated loans.

We utilize forward loan sale commitments, TBAs, and other forward delivery securities to fix the forward sales price that we will realize in the secondary market and to mitigate the interest rate risk to loan prices that we may be exposed to from the date we enter into rate locks with our customers until the date the loan is sold. We realize hedge gains and losses based on the value of the change in price in the underlying securities. When the position is closed, these amounts are recorded as realized hedge gains and losses.

**KEY METRICS**

The following table provides a summary of some of our Mortgage Origination segment's key metrics (dollars in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020 Predecessor
<b>Loan origination volume (dollars)</b>				
Conforming	\$ 4,302,170	\$ 5,397,708	\$ 5,377,252	\$ 7,976,292
Government	995,657	1,068,650	1,238,058	2,032,871
Non-conforming	1,571,895	1,937,860	966,514	1,793,173
Home improvement	58,928	—	—	—
Total loan origination volume	\$ 6,928,650	\$ 8,404,218	\$ 7,581,824	\$ 11,802,336
<b>Loan origination volume by channel (dollars)</b>				
Retail	\$ 4,870,554	\$ 5,622,487	5,773,656	\$ 8,984,443
Wholesale/Correspondent	1,201,503	1,706,365	1,037,824	1,579,202
Consumer direct	797,665	1,075,366	770,344	1,238,691
Home improvement	58,928	—	—	—
Total loan origination volume by channel	\$ 6,928,650	\$ 8,404,218	\$ 7,581,824	\$ 11,802,336
<b>Loan origination volume by type (dollars)</b>				
Purchase	\$ 3,494,462	2,664,493	2,059,463	3,757,855
Refinance	3,375,260	5,739,725	5,522,361	8,044,481
Home improvement	58,928	—	—	—
Total loan origination volume by type	\$ 6,928,650	\$ 8,404,218	\$ 7,581,824	\$ 11,802,336
<b>Loan origination volume (units)</b>				
Conforming	14,136	18,090	17,910	27,276
Government	3,141	3,426	4,145	7,014
Non-conforming	1,972	2,472	1,466	2,648
Home improvement	5,522	—	—	—
Total loan origination volume	24,771	23,988	23,521	36,938
<b>Loan origination volume by channel (units)</b>				
Retail	13,737	16,123	18,349	28,934
Wholesale/Correspondent	3,005	4,745	2,986	4,456
Consumer direct	2,507	3,120	2,186	3,548
Home improvement	5,522	—	—	—
Total loan origination volume by channel	24,771	23,988	23,521	36,938
<b>Loan origination volume by type (units)</b>				
Purchase	9,328	7,534	6,890	12,961
Refinance	9,921	16,454	16,631	23,977
Home improvement	5,522	—	—	—
Total loan origination volume by type	24,771	23,988	23,521	36,938
<b>Loan sales by investor (dollars)</b>				
Agency	\$ 5,807,841	\$ 7,246,418	\$ 6,946,820	\$ 10,207,363

[Table of Contents](#)

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
	Predecessor			
Private	1,212,318	1,152,810	433,121	1,191,224
Total loan sales by investor	\$ 7,020,159	\$ 8,399,228	\$ 7,379,941	\$11,398,587
<b>Loan sales by type (dollars)</b>				
Servicing released	\$ 2,183,584	\$ 2,086,550	\$ 525,085	\$ 4,408,050
Servicing retained	4,836,575	6,312,678	6,854,856	6,990,537
Total loan sales by type	\$ 7,020,159	\$ 8,399,228	\$ 7,379,941	\$11,398,587
Net rate lock volume	\$ 6,668,823	\$ 8,405,313	\$ 6,800,861	13,017,115
Mortgage originations margin (including servicing margin) <sup>(1)</sup>	2.8%	3.4%	4.4%	3.3%
Capitalized servicing rate (in bps)	103.5	89.1	63.6	64.2

<sup>(1)</sup> Calculated for each period as Gain on sale and other income from mortgage loans held for sale, net, divided by Net rate lock volume.

**Revenue**

In the table below is a summary of the components of our Mortgage Origination segment's total revenue for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
	Predecessor			
Gain on sale, net	\$ 168,821	\$ 200,874	\$ 319,444	\$ 456,858
Provision for repurchases	(1,813)	(2,258)	(9,854)	(11,979)
Realized hedge gains (losses)	(17,013)	74,823	(57,922)	(107,484)
Changes in fair value of loans held for sale	11,602	(41,485)	11,109	33,410
Changes in fair value of interest rate locks	(2,984)	(49,946)	7,706	64,051
Changes in fair value of derivatives/hedges	26,773	104,473	27,850	(9,232)
<b>Gain on sale and other income from mortgage loans held for sale, net</b>	<b>185,386</b>	<b>286,481</b>	<b>298,333</b>	<b>425,624</b>
Origination related fee income	30,345	32,731	33,795	54,322
Net interest income	1,976	891	778	1,264
<b>Total revenue</b>	<b>\$ 217,707</b>	<b>\$ 320,103</b>	<b>\$ 332,906</b>	<b>\$ 481,210</b>

Net interest income was comprised of the following (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
	Predecessor			
Interest income	\$ 12,837	\$ 12,483	\$ 11,160	\$ 19,078
Interest expense	(10,861)	(11,592)	(10,382)	(17,814)
Net interest income	\$ 1,976	\$ 891	\$ 778	\$ 1,264
WAC - loans held for sale	3.2%	2.9%	3.2%	3.2%
WAC - warehouse lines of credit	3.2%	3.0%	2.6%	2.6%

## [Table of Contents](#)

### For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)

Total revenue decreased \$115.2 million or 34.6%, primarily as a result of the following:

- Gain on sale, net, decreased \$150.6 million or 47.2% as a result of lower margin and lower originated mortgage loans during the three months from April 1, 2021 to June 30, 2021. We sold \$7,020.2 million in mortgage loans for the three months from April 1, 2021 to June 30, 2021 compared to \$7,379.9 million for the comparable 2020 period. Weighted average gain on sale margins on sold loans were 2.4% for the three months from April 1, 2021 to June 30, 2021 compared to 4.3% for the comparable 2020 period. Gain on sale margins decreased primarily due to rate volatility during both periods and competitive pressure on margins in the 2021 period.
- Provision for repurchases decreased \$8.0 million or 81.6% due to a drop in refinance volume that drives premium recapture.
- Changes in fair value of loans held for sale increased \$0.5 million or 4.4% as a result of higher net change in the end-of-period fair value of our lower outstanding originated loan production not yet sold or securitized. The unsold pipeline decreased from \$1.9 billion with a weighted average margin of 2.1% at March 31, 2021 to \$1.8 billion and 2.8% at June 30, 2021. Comparatively, the unsold pipeline increased from \$1.2 billion with a weighted average margin of 3.6% at March 31, 2020 to \$1.4 billion and 4.8% at June 30, 2020.
- Changes in fair value of interest rate locks similarly decreased \$10.7 million or 138.7% as a result of lower net change in our interest rate pipeline. The fair value of the interest rate lock pipeline decreased from \$37.6 million at March 31, 2021 to \$33.5 million at June 30, 2021. Comparatively, the fair value of the interest rate lock pipeline increased from \$56.3 million at March 31, 2020 to \$78.0 million at June 30, 2020.
- Origination related fee income decreased \$3.5 million or 10.2% as a result of lower loan origination volume in dollars during the three months from April 1, 2021 to June 30, 2021.
- During the three months from April 1, 2021 to June 30, 2021, net realized and unrealized hedge gains were \$9.7 million compared to hedge losses of \$30.1 million in the comparable 2020 period, partially offsetting the fair value impact to loans in the pipeline by changes market interest rates.

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Total revenue increased \$56.6 million or 11.8% as a result of the following:

- Gain on sale, net, decreased \$87.2 million or 19.1% as a result of decreased gain on sale margins on sold volume, offset slightly by higher sales volume in dollars during the six months ended June 30, 2021. We sold \$15.4 billion in mortgage loans for the six months ended June 30, 2021 compared to \$11.4 billion for the comparable 2020 period. Weighted average gain on sale margins on sold loans were 2.4% for the six months ended June 30, 2021 compared to 4.0% for the comparable 2020 period. Gain on sale margins decreased primarily due to rate volatility during both periods and competitive pressure on margins in the 2021 period.
- Provision for repurchases decreased \$7.9 million or 66.0% due to a drop in refinance volume that drives premium recapture.
- Changes in fair value of loans held for sale decreased \$63.3 million or 189.4% as a result of lower net change in the end-of-period fair value of our higher outstanding originated loan production not yet sold or securitized. The unsold pipeline decreased from \$2.0 billion with a weighted average margin of 4.2% at December 31, 2020 to \$1.8 billion and 2.8% at June 30, 2021. Comparatively, the unsold pipeline increased from \$1.0 billion with a weighted average margin of 2.9% at January 1, 2020 to \$1.4 billion and 4.8% at June 30, 2020.
- Changes in fair value of interest rate locks similarly decreased \$117.0 million or 182.6% as a result of lower net change in our interest rate pipeline. The fair value of the interest rate lock pipeline decreased from \$87.6 million at December 31, 2020 to \$33.5 million at June 30, 2020. Comparatively, the fair value of the interest rate lock pipeline increased from \$13.9 million at January 1, 2020 to \$78.0 million at June 30, 2020.

## Table of Contents

- Origination related fee income increased \$8.8 million or 16.1% as a result of higher loan origination volume during the six months ended June 30, 2021.
- During the six months ended June 30, 2021, net realized and unrealized hedge gains were \$189.1 million compared to hedge losses of \$116.7 million in the comparable 2020 period, partially offsetting the fair value impact to loans in the pipeline by changes market interest rates.

### Expenses

In the table below is a summary of the components of our Mortgage Originations segment's total expenses for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Commissions and bonus	\$ 103,600	\$ 111,766	\$ 126,415	\$ 185,244
Salaries	55,556	46,232	36,116	66,823
Other salary related expenses	13,152	18,451	13,355	25,805
Total salaries, benefits and related expenses	172,308	176,449	175,886	277,872
Loan origination fees	14,781	14,003	11,862	20,987
Loan processing expenses	5,425	5,462	2,007	4,600
Other general and administrative expenses	27,588	23,112	20,929	40,038
Total general and administrative expenses	47,794	42,577	34,798	65,625
Occupancy, equipment rentals and other office related expenses	4,089	5,220	5,274	10,652
<b>Total expenses</b>	<b>\$ 224,191</b>	<b>\$ 224,246</b>	<b>\$ 215,958</b>	<b>\$ 354,149</b>

### For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)

Total expenses increased \$8.2 million or 3.8% as a result of the following:

- Salaries, benefits and related expenses decreased \$3.6 million or 2.0%, primarily due to a \$22.8 million decrease in commissions and bonus expense as a result of the 8.6% decrease in origination volume in dollars during the three months from April 1, 2021 to June 30, 2021. These decreases were offset by \$7.7 million of one-time initial and accelerated Replacement and Earnout Right RSU expense recognized during the second quarter of 2021. Additional on-going expenses for the RSUs of \$2.3 million were recognized as a result of the Business Combination. Salaries increased an additional \$9.4 million as result of increased headcount, further offsetting these decreases. Our average headcount increased from 2,639 for the three months ended June 30, 2020 to 3,086 for the 2021 period in order to originate and fulfill the increase in loan origination volume in units.
- General and administrative expenses increased \$13.0 million or 37.3% primarily due to an increase in loan origination fees as a result of higher origination volumes in units. Additionally, other general and administrative expenses increased by \$6.7 million, primarily attributable to increases in professional fees, depreciation and amortization expense and communications and data processing, with a slight offset through a reduction in business development expenses. During the second quarter of 2021, \$1.6 million of amortization of intangibles was recognized as a result of the Business Combination.

## Table of Contents

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Total expenses increased \$94.3 million or 26.6% as a result of the following:

- Salaries, benefits and related expenses increased \$70.9 million or 25.5%, primarily due to a \$30.1 million increase in commissions and bonus expense as a result of the 29.9% increase in origination volume during the six months ended June 30, 2021. Our average headcount increased from 2,590 for the six months ended June 30, 2020 to 3,072 for the 2021 period in order to service the increase in loan origination volume. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$7.7 million was recognized. Additional on-going expenses of \$2.3 million for the RSUs were recognized as a result of the Business Combination.
- General and administrative expenses increased \$24.7 million or 37.7% primarily due to a increase in loan origination fees as a result of higher origination volume in units and allocated costs associated with the Business Combination. During the second quarter of 2021, \$1.6 million of amortization of intangibles was recognized as a result of the Business Combination.

### Reverse Originations Segment

The following table summarizes our Reverse Originations segment's results for the periods indicated (in thousands):

	<u>April 1, 2021 to June 30, 2021</u>	<u>January 1, 2021 to March 31, 2021</u>	<u>For the three months ended June 30, 2020</u>	<u>For the six months ended June 30, 2020</u>
	<u>Successor</u>		<u>Predecessor</u>	
Net origination gains	\$ 94,536	\$ 68,449	\$ 54,689	\$ 89,278
Fee income	954	524	509	1,112
Net interest expense	(9)	—	—	—
<b>Total revenue</b>	<b>95,481</b>	<b>68,973</b>	<b>55,198</b>	<b>90,390</b>
<b>Total expenses</b>	<b>42,246</b>	<b>23,693</b>	<b>22,156</b>	<b>40,740</b>
<b>Other, net</b>	<b>104</b>	<b>34</b>	<b>—</b>	<b>—</b>
<b>NET INCOME BEFORE TAXES</b>	<b>\$ 53,339</b>	<b>\$ 45,314</b>	<b>\$ 33,042</b>	<b>\$ 49,650</b>

Our Reverse Originations segment generates its revenues primarily from the origination of reverse mortgage loans, including loans insured by FHA, and non-agency reverse mortgage loans. Revenue from our Reverse Originations segment include both our initial estimate of fair value gains on the date of origination ("Net origination gains"), which is determined by utilizing quoted prices on similar securities or internally-developed models utilizing observable market inputs, in addition to fees earned at the time of origination of the associated loans. We elect to account for all originated loans at fair value. The loans are immediately transferred to our Portfolio Management segment, and any future fair value adjustments, including interest earned, on these originated loans are reflected in revenues of our Portfolio Management segment until final disposition.

**KEY METRICS**

The following table provides a summary of some of our Reverse Originations segment's key metrics (dollars in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020 Predecessor
<b>Loan origination volume</b>				
Total loan origination volume—New originations—dollars <sup>(1)</sup>	\$ 1,013,323	\$ 768,795	\$ 769,349	\$ 1,425,626
Total loan origination volume—Tails—dollars <sup>(2)</sup>	121,962	120,775	106,179	236,164
Total loan origination volume—dollars	\$ 1,135,285	\$ 889,570	\$ 875,528	\$ 1,661,790
Total loan origination volume—units	3,258	2,864	2,461	4,757
<b>Loan origination volume by channel (dollars)<sup>(3)</sup></b>				
Retail	\$ 172,972	\$ 127,679	\$ 101,066	\$ 173,690
TPO	840,351	641,116	668,283	1,251,936
Total loan origination volume by channel	\$ 1,013,323	\$ 768,795	\$ 769,349	\$ 1,425,626

- (1) New loan origination volumes consist of initial reverse mortgage loan borrowing amounts.
- (2) Tails consist of subsequent borrower advances, mortgage insurance premiums, service fees and advances which we are able to subsequently pool into a security.
- (3) Loan origination volumes by channel consist of initial reverse mortgage loan borrowing amounts, exclusive of subsequent borrower advances, mortgage insurance premiums, service fees and advances which we are able to subsequently pool into a security.

**Revenue**

In the table below is a summary of the components of our Reverse Originations segment's total revenue for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020 Predecessor
<b>Net origination gains</b>				
Retail	\$ 17,220	\$ 16,913	\$ 9,230	\$ 15,719
TPO	141,386	99,678	79,439	147,537
Acquisition costs	(64,070)	(48,142)	(33,980)	(73,978)
<b>Total net origination gains</b>	<b>94,536</b>	<b>68,449</b>	<b>54,689</b>	<b>89,278</b>
Fee income	954	524	509	1,112
Net interest income	(9)	—	—	—
<b>Total revenue</b>	<b>\$ 95,481</b>	<b>\$ 68,973</b>	<b>\$ 55,198</b>	<b>\$ 90,390</b>

*For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)*

Total revenue increased \$40.3 million or 73.0% as a result of the following:

- Net origination gains increased \$39.8 million or 72.9% as a result of higher loan origination volume during the three months from April 1, 2021 to June 30, 2021 combined with increased margins on this origination

[Table of Contents](#)

volume. The higher origination volumes is attributable to home price appreciation and improved interest rates on the HECM loan products leading to an increase in market size, more equity available to seniors, and increased refinance volumes in 2021. We originated \$1,013.3 million of reverse mortgage loans for the three months from April 1, 2021 to June 30, 2021, an increase of 31.7%, compared to \$769.3 million for the comparable 2020 period. During the three months from April 1, 2021 to June 30, 2021, the weighted average margin on production was 8.33% compared to 6.25% in 2020, an increase of 33.3%.

*For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)*

Total revenue increased \$74.1 million or 81.9% as a result of the following:

- Net origination gains increased \$73.7 million or 82.6% as a result of higher loan origination volume during the six months ended June 30, 2021 combined with increased margins on this origination volume. The higher origination volumes is attributable to home price appreciation and improved interest rates on the HECM loan products leading to an increase in market size, more equity available to seniors, and increased refinance volumes in 2021. We originated \$1,782.1 million of reverse mortgage loans for the six months ended June 30, 2021, an increase of 25.0%, compared to \$1,425.6 million for the comparable 2020 period. During the six months ended June 30, 2021, the weighted average margin on production was 8.05% compared to 5.37% in 2020, an increase of 49.9%.

**Expenses**

In the table below is a summary of the components of our Reverse Originations segment's total expenses for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
	Successor	Predecessor		
Salaries and bonuses	\$ 19,845	\$ 11,692	\$ 10,593	\$ 20,296
Other salary related expenses	2,008	1,395	1,124	2,342
Total salaries, benefits and related expenses	21,853	13,087	11,717	22,638
Loan origination fees	2,761	3,258	3,117	5,736
Professional fees	2,676	2,079	116	2,222
Other general and administrative expenses	14,491	4,958	6,800	9,366
Total general and administrative expenses	19,928	10,295	10,033	17,324
Occupancy, equipment rentals and other office related expenses	465	311	406	778
<b>Total expenses</b>	<b>\$ 42,246</b>	<b>\$ 23,693</b>	<b>\$ 22,156</b>	<b>\$ 40,740</b>

*For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)*

Total expenses increased \$20.1 million or 90.7% as a result of higher the following:

- Salaries, benefits and related expenses increased \$10.1 million or 86.5% primarily due to an increase in average headcount, production related compensation to support the increased origination volume, and share based compensation associated with the Business Combination. Average headcount for the three months from April 1, 2021 to June 30, 2021 was 362 compared to 272 for the 2020 period. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$4.0 million was recognized. Additional on-going expenses of \$1.2 million for the RSUs were recognized as a result of the Business Combination.
- General and administrative expenses increased \$9.9 million or 98.6% primarily due to allocated costs associated with the Business Combination. During the second quarter of 2021, \$9.3 million of amortization of intangibles was recognized as a result of the Business Combination.

## [Table of Contents](#)

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Total expenses increased \$25.2 million or 61.9% as a result of the following:

- Salaries, benefits and related expenses increased \$12.3 million or 54.3% primarily due to an increase in average headcount, production related compensation to support the increased origination volume, and share based compensation associated with the Business Combination. Average headcount for the six months ended June 30, 2021 was 345 compared to 269 for the 2020 period. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$4.0 million was recognized. Additional on-going expenses of \$1.2 million for the RSUs were recognized as a result of the Business Combination.
- General and administrative expenses increased \$12.9 million or 74.5% primarily due to allocated costs and higher professional fees associated with the Business Combination. During the second quarter of 2021, \$9.3 million of amortization of intangibles was recognized as a result of the Business Combination.

### Commercial Originations Segment

The following table summarizes our Commercial Originations segment's results for the periods indicated (in thousands):

	<b>April 1, 2021 to June 30, 2021</b>	<b>January 1, 2021 to March 31, 2021</b>	<b>For the three months ended June 30, 2020</b>	<b>For the six months ended June 30, 2020</b>
	<b>Successor</b>		<b>Predecessor</b>	
Net origination gains	\$ 10,822	\$ 5,431	\$ 21	\$ 8,582
Fee income	12,124	8,930	350	11,185
<b>Total revenue</b>	<b>22,946</b>	<b>14,361</b>	<b>371</b>	<b>19,767</b>
<b>Total expenses</b>	<b>20,049</b>	<b>13,391</b>	<b>6,552</b>	<b>22,442</b>
<b>Other, net</b>	<b>140</b>	<b>149</b>	<b>—</b>	<b>—</b>
<b>NET INCOME (LOSS) BEFORE TAXES</b>	<b>\$ 3,037</b>	<b>\$ 1,119</b>	<b>\$ (6,181)</b>	<b>\$ (2,675)</b>

Our Commercial Originations segment generates its revenues primarily from the origination of loans secured by 1-8 family residential properties, which are owned for investment purposes as either long-term rentals ("SFR") or "fix and flip" properties which are undergoing construction or renovation. Revenue from our Commercial Originations segment include both our initial estimate of fair value gains on the date of origination ("Net origination gains"), which is determined by utilizing quoted prices on similar securities or internally-developed models utilizing observable market inputs, in addition to fees earned at the time of origination of the associated loans. We elect to account for all originated loans at fair value. The loans are immediately transferred to our Portfolio Management segment, and any future fair value adjustments, including interest earned, on these originated loans are reflected in revenues of our Portfolio Management segment until final disposition.

[Table of Contents](#)

**KEY METRICS**

The following table provides a summary of some of our Commercial Originations segment's key metrics (dollars in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
<b>Loan origination volume (dollars)<sup>(1)</sup></b>				
Portfolio	\$ 70,027	\$ 59,458	\$ —	\$ 39,695
SRL	170,442	104,992	—	89,187
Fix & flip	96,054	90,018	543	157,378
New construction	17,638	3,422	—	93,169
Agricultural	46,309	83,013	13,769	78,497
Total loan origination volume	<u>\$ 400,470</u>	<u>\$ 340,903</u>	<u>\$ 14,312</u>	<u>\$ 457,926</u>
<b>Loan origination volume (units)<sup>(1)</sup></b>				
Portfolio	74	71	—	22
SRL	959	643	—	543
Fix & flip	445	430	3	752
New construction	56	13	—	276
Agricultural	24	27	10	38
Total loan origination volume	<u>1,558</u>	<u>1,184</u>	<u>13</u>	<u>1,631</u>

<sup>(1)</sup> Loan originations volume and units consist of approved total borrower commitments. These amounts include amounts available to our borrowers but have not yet been drawn upon.

**Revenue**

In the table below is a summary of the components of our Commercial Originations segment's total revenue for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Net origination gains	\$ 10,822	\$ 5,431	\$ 21	\$ 8,582
Fee income	12,124	8,930	350	11,185
<b>Total revenue</b>	<u>\$ 22,946</u>	<u>\$ 14,361</u>	<u>\$ 371</u>	<u>\$ 19,767</u>

*For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)*

Total revenue increased \$22.6 million or 6,084.9% as result of the following:

- We originated \$400.5 million in commercial loans for the three months from April 1, 2021 to June 30, 2021 compared to \$14.3 million during the comparable 2020 period. In March of 2020, there was a temporary deferment of commercial production and a decrease in capital markets demand for non-GSE or government loan products, which continued through the second quarter, due to the COVID-19 outbreak.

## Table of Contents

- Fee income increased \$11.8 million primarily as a result of a significant increase in loan origination volume during the three months from April 1, 2021 to June 30, 2021.

### *For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)*

Total revenue increased \$17.5 million or 88.7% as result of the following:

- We originated \$741.4 million in commercial loans for the six months ended June 30, 2021 compared to \$457.9 million during the comparable 2020 period. In March of 2020, there was a temporary deferment of commercial production and a decrease in capital markets demand for non-GSE or government loan products, which continued through the second quarter, due to the COVID-19 outbreak.
- Fee income increased \$9.9 million or 88.2% primarily as a result of a 61.9% increase in loan origination volume during the six months ended June 30, 2021.

### *Expenses*

In the table below is a summary of the components of our Commercial Originations segment's total expenses for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020 Predecessor
Salaries	\$ 7,643	\$ 4,769	\$ 2,977	\$ 7,104
Commissions and bonus	2,881	2,092	871	3,691
Other salary related expenses	980	797	452	1,399
Total salaries, benefits and related expenses	11,504	7,658	4,300	12,194
Loan origination fees	4,939	3,140	770	5,312
Professional fees	1,332	891	965	2,414
Other general and administrative expenses	1,971	1,164	357	2,190
Total general and administrative expenses	8,242	5,195	2,092	9,916
Occupancy, equipment rentals and other office related expenses	303	538	160	332
<b>Total expenses</b>	<b>\$ 20,049</b>	<b>\$ 13,391</b>	<b>\$ 6,552</b>	<b>\$ 22,442</b>

### *For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)*

Total expenses increased \$13.5 million or 206.0% primarily as a result of the following:

- Salaries, benefits and related expenses increased \$7.2 million or 167.5% primarily due to the increase in loan origination volumes and allocation of share based compensation associated with the Business Combination. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$1.4 million was recognized. Additional on-going expenses of \$0.4 million for the RSUs were recognized as a result of the Business Combination.
- General and administrative expenses increased \$6.2 million or 294.0% primarily due to the increase in loan origination fees and allocated costs associated with the Business Combination. Fee income increased as a result of the significant increase in loan origination volume during the the three months from April 1, 2021 to June 30, 2021 compared to the comparable 2020 period.

## [Table of Contents](#)

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Total expenses increased \$11.0 million or 49.0% as a result of the following:

- Salaries, benefits and related expenses increased \$7.0 million or 57.1% primarily due to the increase in loan origination volumes and allocation of share based compensation associated with the Business Combination. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$1.4 million was recognized. Additional on-going expenses of \$0.4 million for the RSUs were recognized as a result of the Business Combination.
- General and administrative expenses increased \$3.5 million or 35.5% primarily due to the increase in loan origination fees and allocated costs associated with the Business Combination. Fee income increased as a result of the 61.9% increase in loan origination volume during the six months ended June 30, 2021 compared to the comparable 2020 period.

### Lender Services Segment

The following table summarizes our Lender Services segment's results for the periods indicated (in thousands):

	<u>April 1, 2021 to June 30, 2021</u>	<u>January 1, 2021 to March 31, 2021</u>	<u>For the three months ended June 30, 2020</u>	<u>For the six months ended June 30, 2020</u>
	<u>Successor</u>		<u>Predecessor</u>	
Fee income	\$ 81,130	\$ 76,383	\$ 44,312	\$ 85,570
Net interest expense	(15)	(36)	(42)	(33)
<b>Total revenue</b>	<b>81,115</b>	<b>76,347</b>	<b>44,270</b>	<b>85,537</b>
<b>Total expenses</b>	<b>73,317</b>	<b>62,970</b>	<b>39,554</b>	<b>78,149</b>
<b>Other, net</b>	<b>83</b>	<b>2</b>	<b>—</b>	<b>—</b>
<b>NET INCOME BEFORE TAXES</b>	<b>\$ 7,881</b>	<b>\$ 13,379</b>	<b>\$ 4,716</b>	<b>\$ 7,388</b>

[Table of Contents](#)

**KEY METRICS**

The following table provides a summary of some of our Lender Services segment's key metrics:

	April 1, 2021 to June 30, 2021 <u>Successor</u>	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 <u>Predecessor</u>	For the six months ended June 30, 2020
Incenter Title Agent Orders	55,435	54,960	42,614	77,229
Incenter Title Agent Closings	43,558	46,991	26,310	47,860
Total appraisals	10,351	7,427	5,713	9,734
Title Insurance Underwriter Policies	56,181	48,814	16,367	29,459
FTE Count for Fulfillment Revenue	916	858	690	715
Total MSR valuations performed	137	124	122	256

**Revenue**

In the table below is a summary of the components of our Lender Services segment's total revenue for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 <u>Successor</u>	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 <u>Predecessor</u>	For the six months ended June 30, 2020
Title agent and closing services	\$ 33,878	\$ 31,750	\$ 20,399	\$ 43,930
Insurance underwriting services	34,995	33,322	14,153	23,175
Student and consumer loan origination services	1,500	2,012	2,778	5,700
Fulfillment services	6,823	6,779	3,732	7,538
MSR trade brokerage, valuation and other services	3,850	2,462	3,211	5,185
Other income	167	58	39	42
Net interest expense	(15)	(36)	(42)	(33)
<b>Total revenue</b>	<b>\$ 81,115</b>	<b>\$ 76,347</b>	<b>\$ 44,270</b>	<b>\$ 85,537</b>

## Table of Contents

### For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)

Total revenue increased \$36.8 million or 83.2% as a result of the following:

- For the three months from April 1, 2021 to June 30, 2021, we acted as title agent on 43,558 loan closings, compared to 26,310 loan closings for the comparable 2020 period, an increase of 65.6%. We underwrote 56,181 policies during the three months from April 1, 2021 to June 30, 2021, compared to 16,367 underwritten policies for the comparable 2020 period, an increase of 243.3%. These increases were primarily the result of continued strong refinance volumes and client acquisition.

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Total revenue increased \$71.9 million or 84.1% as a result of the following:

- For the six months ended June 30, 2021, we acted as title agent on 90,549 loan closings, compared to 47,860 loan closings for the 2020 period, an increase of 89.2%. We underwrote 104,995 policies during the six months ended June 30, 2021, compared to 29,459 underwritten policies for the 2020 period, an increase of 256.4%. These increases were primarily the result of continued strong refinance volumes and client acquisition.

## Expenses

In the table below is a summary of the components of our Lender Services segment's total expenses for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Salaries	\$ 18,351	\$ 16,715	\$ 11,018	\$ 19,731
Commissions and bonus	8,690	7,045	6,601	10,553
Other salary related expenses	6,262	4,001	2,484	5,395
Total salaries, benefits and related expenses	33,303	27,761	20,103	35,679
Title and closing	25,190	25,062	12,682	28,677
Communication and data processing	3,125	2,960	2,483	4,412
Fair value change in deferred purchase price liability	1,750	—	94	163
Other general and administrative expenses	8,935	6,040	3,455	7,591
Total general and administrative expenses	39,000	34,062	18,714	40,843
Occupancy, equipment rentals and other office related expenses	1,014	1,147	737	1,627
<b>Total expenses</b>	<b>\$ 73,317</b>	<b>\$ 62,970</b>	<b>\$ 39,554</b>	<b>\$ 78,149</b>

## Table of Contents

### For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)

Total expenses increased \$33.8 million or 85.4% as a result of the following:

- Salaries, benefits and related expenses increased \$13.2 million or 65.7%, primarily due to the staffing required to support the 243.3% increase in title insurance underwriting policies and 65.6% increase in title agent closings. Commissions and bonus expense increased \$2.1 million in conjunction with the increase in revenue. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$3.2 million was recognized. Additional on-going expenses of \$1.0 million for the RSUs were recognized as a result of the Business Combination.
- General and administrative expenses increased \$20.3 million or 108.4% primarily due to higher title and closing expenses incurred associated with the 243.3% increase in title insurance underwriting policies volume and 65.6% increase in title agent closing volume. During the second quarter of 2021, \$1.7 million of amortization of intangibles was recognized as a result of the Business Combination.

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Total expenses increased \$58.1 million or 74.4% as a result of the following:

- Salaries, benefits and related expenses increased \$25.4 million or 71.1%, primarily due to the staffing required to support the 256.4% increase in title insurance underwriting policies and 89.2% increase in title agent closings. Commissions and bonus expense increased \$5.2 million in conjunction with the increase in revenue. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$3.2 million was recognized. Additional on-going expenses of \$1.0 million for the RSUs were recognized as a result of the Business Combination.
- General and administrative expenses increased \$32.2 million or 78.9% primarily due to higher title and closing expenses incurred associated with the 256.4% increase in title insurance underwriting policies volume and 89.2% increase in title agent closing volume. During the second quarter of 2021, \$1.7 million of amortization of intangibles was recognized as a result of the Business Combination.

### Corporate and Other

Our Corporate and Other segment consists of our BXO and other corporate services groups. These groups support our operating segments, and the cost of services directly supporting the operating segments are allocated to those operating segments on a cost of service basis. Enterprise-focused Corporate and Other expenses that are not incurred in direct support of the operating segments are kept unallocated within our Corporate and Other segment.

The following table summarizes our Corporate and Other segment's results for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2020
	Successor		Predecessor	
Fee income	\$ —	\$ —	\$ 28	\$ 44
Net interest expense	(6,567)	(7,744)	(2,804)	(4,220)
<b>Total interest and other expense</b>	<b>(6,567)</b>	<b>(7,744)</b>	<b>(2,776)</b>	<b>(4,176)</b>
<b>Total expenses</b>	<b>36,021</b>	<b>18,683</b>	<b>16,573</b>	<b>23,222</b>
<b>Other, net</b>	<b>(2,185)</b>	<b>(9,464)</b>	<b>(28)</b>	<b>(44)</b>
<b>NET LOSS</b>	<b>\$ (44,773)</b>	<b>\$ (35,891)</b>	<b>\$ (19,377)</b>	<b>\$ (27,442)</b>

[Table of Contents](#)

In the table below is a summary of the components of our Corporate and Other segment's total expenses for the periods indicated (in thousands):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020
Salaries and bonuses	\$ 47,029	\$ 22,779	\$ 16,955	\$ 27,456
Other salary related expenses	2,232	3,306	94	1,815
Shared services—payroll allocations	(24,434)	(18,657)	(4,168)	(13,489)
Total salaries, benefits and related expenses	24,827	7,428	12,881	15,782
Communication and data processing	3,840	3,015	1,507	2,841
Professional fees	8,417	10,334	5,510	6,925
Other general and administrative expenses	3,480	1,481	1,086	2,444
Shared services—general and administrative allocations	(5,265)	(3,694)	(4,882)	(5,678)
Total general and administrative expenses	10,472	11,136	3,221	6,532
Occupancy, equipment rentals and other office related expenses	722	119	471	908
<b>Total expenses</b>	<b>\$ 36,021</b>	<b>\$ 18,683</b>	<b>\$ 16,573</b>	<b>\$ 23,222</b>

*For the three months from April 1, 2021 to June 30, 2021 (Successor) versus the three months ended June 30, 2020 (Predecessor)*

Net loss increased \$25.4 million or 131.1% as a result of the following:

- Total interest and other expense increased \$3.8 million or 136.6% as a result of interest expense related to the senior unsecured notes issued in November 2020.
- Salaries, benefits, and related expenses, net of allocations, increased \$11.9 million or 92.7% primarily due to an increase in average headcount, bonus compensation, and cost allocations related to the Business Combination. Average headcount for the three months from April 1, 2021 to June 30, 2021 was 416 compared to 269 for the comparable 2020 period. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$15.3 million was recognized. Additional on-going expenses of \$4.8 million for the RSUs were recognized as a result of the Business Combination. These increases were offset by an increase in allocations, as a portion of the Business Combination expenses were allocated to each segment.
- General and administrative expenses, net of shared services allocations, increased \$7.3 million or 225.1% due to higher professional fees, including legal and accounting advisory fees related to the Business Combination.

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## [Table of Contents](#)

### For the six months ended June 30, 2021 (Successor and Predecessor) versus the six months ended June 30, 2020 (Predecessor)

Net loss increased \$53.2 million or 193.9% as a result of the following:

- Total interest and other expense increased \$10.1 million or 242.7% as a result of interest expense related to the senior unsecured notes issued in November 2020.
- Salaries, benefits, and related expenses, net of allocations, increased \$16.5 million or 104.4% primarily due to an increase in average headcount, bonus compensation and cost allocations related to the Business Combination. Average headcount for the six months ended June 30, 2021 was 385 compared to 266 for the 2020 period. During the second quarter of 2021, one-time initial and accelerated Replacement and Earnout Right RSU expense of \$15.3 million was recognized. Additional on-going expenses of \$4.8 million for the RSUs were recognized as a result of the Business Combination. These increases were offset by an increase in allocations, as a portion of the Business Combination expenses were allocated to each segment.
- General and administrative expenses, net of shared services allocations, increased \$15.1 million or 230.8% due to higher professional fees, including legal and accounting advisory fees related to the Business Combination.

### **NON-GAAP FINANCIAL MEASURES**

The Company's management evaluates performance of the Company through the use of certain non-GAAP financial measures, including Adjusted Net Income, Adjusted EBITDA, and Adjusted Diluted Earnings per Share.

The presentation of non-GAAP measures is used to enhance the investors' understanding of certain aspects of our financial performance. This discussion is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). These key financial measures provide an additional view of our performance over the long-term and provide useful information that we use in order to maintain and grow our business.

These non-GAAP financial measures should not be considered as an alternate to (i) net (loss) income or any other performance measures determined in accordance with GAAP or (ii) operating cash flows determined in accordance with GAAP. Adjusted Net Income and Adjusted EBITDA have important limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations of this metric are:

- cash expenditures for future contractual commitments;
- cash requirements for working capital needs;
- cash requirements for certain tax payments; and
- all non-cash income/expense items reflected in the Consolidated Statements of Cash Flows.

Because of these limitations, Adjusted Net Income and Adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our business or distribute to shareholders. We compensate for these limitations by relying primarily on our GAAP results and using our non-GAAP financial measures only as a supplement. Users of our consolidated financial statements are cautioned not to place undue reliance on our non-GAAP financial measures.

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## [Table of Contents](#)

### ***Adjusted Net Income***

We define Adjusted Net Income as consolidated net (loss) income adjusted for:

1. Change in fair value of loans and securities held for investment due to assumption changes
2. Amortization and other impairments of intangible assets
3. Share based compensation
4. Change in fair value of deferred purchase price obligations (including earnouts and TRA obligations), warrant liability, and minority investments
5. Certain non-recurring costs
6. Pro-forma tax provision attributable to noncontrolling interest
7. Pro-forma tax effects of adjustments

Management considers Adjusted Net Income important in evaluating our Company as a whole. This supplemental metric is utilized by our management team to assess the underlying key drivers and operational performance of the continuing operations of the business. In addition, analysts, investors, and creditors may use this measure when analyzing our operating performance and comparability to peers. Adjusted Net Income is not a presentation made in accordance with GAAP, and our definition and use of this measure may vary from other companies in our industry.

Adjusted Net Income provides visibility to the underlying operating performance by excluding the impact of certain items that management does not believe are representative of our core earnings. Adjusted Net Income may also include other adjustments, as applicable based upon facts and circumstances, consistent with our intent of providing a supplemental means of evaluating our operating performance.

### ***Adjusted EBITDA***

We define Adjusted EBITDA as net (loss) income adjusted for:

1. Taxes
2. Interest on non-funding debt
3. Depreciation
4. Change in fair value of loans and securities held for investment due to assumption changes
5. Amortization and other impairments of intangible assets
6. Share based compensation
7. Change in fair value of deferred purchase price obligations (including earnouts and TRA obligations), warrant liability and minority investments
8. Certain non-recurring costs

We manage our Company by each of our operating and non-operating segments: Loan Originations (made up of Mortgage, Reverse, and Commercial Originations segments), Portfolio Management, Lender Services and Corporate and Other. We evaluate the performance of our segments through the use of Adjusted EBITDA as a non-GAAP measure. Management considers Adjusted EBITDA important in evaluating our business segments and the Company as a whole. Adjusted EBITDA is a supplemental metric utilized by our management team to assess the underlying key drivers and operational performance of the continuing operations of the business and our operating segments. In addition, analysts, investors, and creditors may use these measures when analyzing our operating performance. Adjusted EBITDA is not a presentation made in accordance with GAAP, and our use of this measure and term may vary from other companies in our industry.

Adjusted EBITDA provides visibility to the underlying operating performance by excluding the impact of certain items that management does not believe are representative of our core earnings. Adjusted EBITDA may also include other adjustments, as applicable based upon facts and circumstances, consistent with our intent of providing a supplemental means of evaluating our operating performance.

### ***Adjusted Diluted Earnings Per Share***

We define Adjusted Diluted Earnings Per Share as Adjusted Net Income (defined above) divided by the weighted average diluted shares, which includes issued and outstanding Class A Common Stock plus the Class A LLC Units owned by the noncontrolling interest on an if-converted basis.

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[Table of Contents](#)

Analysts, investors, and creditors may use this measure when analyzing our operating performance and comparability to peers. Adjusted Net Income is not a presentation made in accordance with GAAP, and our definition and use of this measure may vary from other companies in our industry.

[Table of Contents](#)

The following table provides a reconciliation of net (loss) income to Adjusted Net Income and Adjusted EBITDA (in thousands, except for share data):

**Reconciliation to GAAP**

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the three months ended June 30, 2020 Predecessor	For the six months ended June 30, 2020 Predecessor
<b>Reconciliation of Net (loss) income to Adjusted Net Income and Adjusted EBITDA</b>				
Net (loss) income	\$ (14,823)	\$ 124,320	\$ 146,285	\$ 103,879
Adjustments for:				
Change in fair value of loans and securities held for investment due to assumption changes <sup>(1)</sup>	20,043	2,042	129	70,661
Amortization and impairment of intangibles	13,457	629	644	1,288
Change in fair value of deferred purchase price liabilities <sup>(2)</sup>	2,620	30	(126)	147
Change in fair value of warrant liabilities	1,292	—	—	—
Share based compensation	10,642	—	—	—
Change in fair value of minority investments <sup>(3)</sup>	127	9,464	—	—
Certain non-recurring costs <sup>(4)</sup>	43,478	6,719	1,825	4,654
Tax effect on net income (loss) attributable to noncontrolling interest <sup>(5)(6)</sup>	4,273	(31,482)	(37,703)	(26,442)
Tax effect of adjustments attributable to noncontrolling interest <sup>(5)</sup>	(18,528)	(4,910)	(643)	(19,955)
Tax effect of adjustments attributable to controlling interest <sup>(5)</sup>	(5,303)	N/A	N/A	N/A
<b>Adjusted Net Income</b>	<b>\$ 57,278</b>	<b>\$ 106,812</b>	<b>\$ 110,411</b>	<b>\$ 134,232</b>
Effective income taxes	20,644	37,529	38,794	47,163
Depreciation	2,281	2,163	1,837	3,566
Interest expense on non-funding debt	6,694	7,706	2,432	3,508
<b>Adjusted EBITDA</b>	<b>\$ 86,897</b>	<b>\$ 154,210</b>	<b>\$ 153,474</b>	<b>\$ 188,469</b>
<b>GAAP PER SHARE MEASURES</b>				
Net income attributable to controlling interest	\$ 2,265	N/A	N/A	N/A
Average shares outstanding	59,882	N/A	N/A	N/A
<b>Basic earnings per share</b>	<b>0.04</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
If-converted method net (loss) income	\$ (9,737)	\$ 119,859	\$ 148,335	\$ 121,085
Weighted average diluted shares	191,200	191,200	191,200	191,200
<b>Diluted earnings per share</b>	<b>\$ (0.05)</b>	<b>\$ 0.63</b>	<b>\$ 0.78</b>	<b>\$ 0.63</b>
Book equity	\$ 2,379,295	\$ 844,386	\$ 774,838	\$ 774,838
Weighted average diluted shares	191,200	191,200	191,200	191,200
<b>Book Equity per Diluted Share</b>	<b>\$ 12.44</b>	<b>\$ 4.42</b>	<b>\$ 4.05</b>	<b>\$ 4.05</b>
<b>NON-GAAP PER SHARE MEASURES</b>				
Adjusted Net Income	\$ 57,278	\$ 106,812	\$ 110,411	\$ 134,232
Weighted average diluted shares	191,200	191,200	191,200	191,200
<b>Adjusted Diluted Earnings per Share</b>	<b>\$ 0.30</b>	<b>0.56</b>	<b>0.58</b>	<b>0.70</b>

<sup>(1)</sup> *Change in Fair Value of Loans and Securities Held for Investment due to Assumption Changes*—This adjustment relates to changes in the significant market or model input components of the fair value for loans and securities which are held for investment, net of related liabilities. We include an adjustment for the significant market or model input components of the change in fair value because, while based on real observable and/or predicted changes in drivers of the valuation of assets, they may be mismatched in any given period with the actual change in the underlying

## Table of Contents

economics or when they will be realized in actual cash flows. We do not record this change as a separate component in our financial records, but have generated this information based on modeling and certain assumptions. Changes in Fair Value of Loans and Securities Held for Investment due to Assumption Changes includes changes in fair value for the following mortgage servicing rights, loans held for investment, and related liabilities:

1. Reverse mortgage loans held for investment, subject to HMBS related obligations, at fair value;
2. Mortgage loans held for investment, subject to nonrecourse debt, at fair value;
3. Mortgage loans held for investment, at fair value;
4. Debt Securities;
5. Mortgage servicing rights, at fair value;
6. HMBS related obligations, at fair value; and
7. Nonrecourse debt, at fair value.

The adjustment for changes in fair value of loans and securities held for investment due to assumption changes is calculated based on changes in fair value associated with the above assets and liabilities calculated in accordance with GAAP, excluding the period-to-date estimated impact of the change in fair value attributable to current period additions and the change in fair value attributable to portfolio run-off, net of hedge gains and losses and any securitization expenses incurred in securitizing our mortgage loans held for investment, subject to nonrecourse debt. This adjustment represents changes in accounting estimates that are measured in accordance with US GAAP. Actual results may differ from those estimates and assumptions due to factors such as changes in the economy, interest rates, secondary market pricing, prepayment assumptions, home prices or discrete events affecting specific borrowers, and such differences could be material. Accordingly, this number should be understood as an estimate and the actual adjustment could vary if our modeling is incorrect.

- (2) *Change in Fair Value of Deferred Purchase Price Obligations*- We are obligated to pay contingent consideration to sellers of acquired businesses based on future performance of acquired business (Earnouts) as well as realization of tax benefits from the Business Combination (TRA Obligation). Change in fair value of deferred purchase price obligations represents impacts to revenue or expense due to changes in the estimated fair value of expected payouts as a result of changes in various assumptions, including future performance, timing and realization of tax benefits and discount rates.
- (3) *Change in Fair Value of Minority Investments*—The adjustment to minority equity investments and debt investments is based on the change in fair value, which is an item that management believes should be excluded when discussing our ongoing and future operations. Although the change in fair value of minority equity investments and debt investments is a recurring part of our business, we believe the adjustment is appropriate as the fair value fluctuations from period to period make it difficult to analyze core-operating trends.
- (4) Certain non-recurring costs relate to various one-time expenses and adjustments that management believes should be excluded as these do not relate to a recurring part of the core business operations. These items include certain one-time charges including estimated settlements for legal and regulatory matters, acquisition related expenses, share based compensation associated with the Business Combination, and other one-time charges. The Successor period of April 1, 2021 to June 30, 2021 includes \$38.6 million of non-recurring share based compensation primarily resulting from the immediate vesting portion of the Replacement RSU awards.
- (5) We applied a 26% effective tax rate to pre-tax income and adjustments for the respective periods to determine the tax effect of net income (loss) attributable to the controlling and noncontrolling interests.
- (6) This is a component in the numerator of diluted net loss per share. See Note 33 - Earnings Per Share.

## Liquidity and Capital Resources

### *Impact of the Business Combination*

FoA is a holding company and has no material assets other than its direct and indirect ownership of Class A LLC Units. FoA has no independent means of generating revenue. FoA Equity may make distributions to its holders of Class A LLC Units, including FoA and the Continuing Unitholders, in an amount sufficient to cover all applicable taxes at assumed tax rates, payments under the TRAs and dividends, if any, declared by it. Deterioration in the financial condition, earnings or cash flow of FoA Equity and its subsidiaries for any reason could limit or impair their ability to pay such distributions. Additionally, the terms of our financing arrangements, including financing lines of credit and senior notes, contain covenants that may restrict FoA Equity and its subsidiaries from paying such distributions, subject to certain exceptions. In addition, one of our subsidiaries, FAM, is subject to various regulatory capital and minimum net worth requirements as a result of their mortgage origination and servicing activities. Further, FoA Equity is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of FoA Equity (with certain exceptions) exceed the fair value of its assets. Subsidiaries of FoA Equity are generally subject to similar legal limitations on their ability to make distributions to FoA Equity.

Our cash flows from operations, borrowing availability and overall liquidity are subject to risks and uncertainties. We may not be able to obtain additional liquidity on reasonable terms, or at all. Additionally, our liquidity and our ability to meet our obligations and to fund our capital requirements are dependent on our future financial performance, which

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## [Table of Contents](#)

is subject to general economic, financial, and other factors that are beyond our control. Accordingly, our business may not generate sufficient cash flow from operations and future borrowings may not be available from additional indebtedness or otherwise to meet our liquidity needs. Although we have no specific current plans to do so, if we decide to pursue one or more significant acquisitions, we may incur additional debt or sell additional equity to finance such acquisitions, which would result in additional expenses or dilution.

### ***Tax Receivable Agreements***

In connection with the Business Combination, concurrently with the Closing, the Company entered into Tax Receivable Agreements (“TRA”) with certain owners of FoA Equity prior to the Business Combination (the “TRA Parties”). The TRAs generally provide for the payment by the Company to the TRA Parties of 85% of the cash tax benefits, if any, that the Company is deemed to realize (calculated using certain simplifying assumptions) as a result of (i) tax basis adjustments as a result of sales and exchanges of units in connection with or following the Business Combination and certain distributions with respect to units, (ii) the Company’s utilization of certain tax attributes attributable to Blackstone Tactical Opportunities Associates—NQ L.L.C., a Delaware limited partnership, shareholders (“Blocker GP”), and (iii) certain other tax benefits related to entering into the TRAs, including tax benefits attributable to making payments under the TRAs. These tax basis adjustments generated over time may increase (for tax purposes) the depreciation and amortization deductions available to the Company and, therefore, may reduce the amount of U.S. federal, state and local tax that the Company would otherwise be required to pay in the future, although the IRS may challenge all or part of the validity of that tax basis, and a court could sustain such challenge. The tax basis adjustments upon sales or exchanges of units for shares of Class A Common Stock and certain distributions with respect to Class A LLC Units may also decrease gains (or increase losses) on future dispositions of certain assets to the extent tax basis is allocated to those assets. Actual tax benefits realized by the Company may differ from tax benefits calculated under the Tax Receivable Agreements as a result of the use of certain assumptions in the TRAs, including the use of an assumed weighted average state and local income tax rate to calculate tax benefits.

The payments that FoA may make under the TRAs are expected to be substantial. The payments under the TRAs are not conditioned upon continued ownership of FoA or FoA Equity by the Continuing Unitholders.

The Company accounts for the effects of these increases in tax basis and associated payments under the TRAs arising from exchanges in connection with the Business Combination as follows:

- records an increase in deferred tax assets for the estimated income tax effects of the increases in tax basis based on enacted federal and state tax rates at the date of the exchange;
- to the extent we estimate that the Company will not realize the full benefit represented by the deferred tax asset, based on an analysis that will consider, among other things, our expectation of future earnings, the Company reduces the deferred tax asset with a valuation allowance; and
- initial measurement of the obligations is at fair value on the acquisition date. Subsequently, the liability will be remeasured at fair value each reporting period, with any changes in fair value recognized through earnings.

The Company records obligations under the TRAs resulting from future exchanges at the gross undiscounted amount of the expected future payments as an increase to the liability along with the deferred tax asset and valuation allowance (if any) with an offset to additional paid-in capital.

As of June 30, 2021, the Company had a liability of \$32.8 million related to its projected obligations under the TRA, which is included in deferred purchase price liabilities within payables and other liabilities on the Consolidated Statements of Financial Condition.

### **Sources and Uses of Cash**

Our primary sources of funds for liquidity include: (i) payments received from sale or securitization of loans; (ii) payments from the liquidation or securitization of our outstanding participating interests in loans; and (iii) advance and warehouse facilities, other secured borrowings and the unsecured senior notes.

## Table of Contents

Our primary uses of funds for liquidity include: (i) funding of borrower advances and draws on outstanding loans; (ii) originations of loans; (iii) payment of operating expenses; (iv) repayment of borrowings and repurchases or redemptions of outstanding indebtedness, and (v) distributions to shareholders for the estimated taxes on pass-through taxable income.

Our cash flows from operating activities, as well as capacity through existing facilities, provide adequate resources to fund our anticipated ongoing cash requirements. We rely on these facilities to fund operating activities. As the facilities mature, we anticipate renewal of these facilities will be achieved. Future debt maturities will be funded with cash and cash equivalents, cash flow from operating activities and, if necessary, future access to capital markets. We continue to optimize the use of balance sheet cash to avoid unnecessary interest carrying costs.

### Cash Flows

As a result of the Business Combination, certain share based compensation expenses were considered to have been incurred “on the line”. These “on the line” expenses resulted in a decrease in cash on the opening balance sheet as of April 1, 2021 when compared to the ending balance as of March 31, 2021. For the Successor period from April 1, 2021 to June 30, 2021, the beginning cash balance reflects the decrease in cash due to these expenses and, as such, these expenses have been appropriately excluded from the reconciliation to the ending cash balance.

The following table presents net cash provided by operating activities, investing activities and financing activities for the period from April 1, 2021 to June 30, 2021 (Successor), January 1, 2021 to March 31, 2021 (Predecessor), and for the six months ended June 30, 2020 (Predecessor):

	April 1, 2021 to June 30, 2021 Successor	January 1, 2021 to March 31, 2021 Predecessor	For the six months ended June 30, 2020 Predecessor
Net cash (used in) provided by operating activities	(9,652)	118,043	(117,200)
Net cash used in investing activities	(337,885)	(312,047)	(873,607)
Net cash provided by financing activities	232,437	307,695	1,007,927

Our cash decreased \$115.1 million for the three months from April 1, 2021 to June 30, 2021 (Successor), increased \$113.7 million for the three months from January 1, 2021 to March 31, 2021 and increased \$17.1 million for the six months ended June 30, 2021 (Successor and Predecessor). The decrease in cash flows for the six months ended June 30, 2021 (Successor and Predecessor) period was primarily driven by Business Combination related expenses, payments on our outstanding HMBS liabilities, net of new HMBS issuances, and purchases and originations of mortgage loans held for investment, net of proceeds and payments received on mortgage loans held for investment. These cash outflows were partially offset by proceeds on our loan sales of mortgage loans held for sale, net of origination activity and proceeds from other financing lines of credit, net of payments on other financing lines of credit.

### Operating Cash Flow

Net cash (used in) provided by operating activities totaled \$(9.7) million for the three months from April 1, 2021 to June 30, 2021 (Successor), \$118.0 million for the three months from January 1, 2021 to March 31, 2021 and \$(117.2) million for the six months ended June 30, 2020 (Predecessor).

Cash used by operating activities increased \$225.6 million for the six months ended June 30, 2021 (Successor and Predecessor) compared to the six months ended June 30, 2020 (Predecessor). The increase was primarily attributable to higher gain on sale, net, as a result of higher sales volume during the period combined with higher proceeds on sold loans, offset slight by lower margins on sold loans. We sold \$15,419.4 million and \$11,398.6 million in residential mortgage loans held for sale during the six months ended June 30, 2021 (Successor and Predecessor) and for the six months ended June 30, 2020 (Predecessor), respectively. Weighted average margins on sold loans were 2.4% for the six months ended June 30, 2021 (Successor and Predecessor) compared to 4.0% for the six months ended June 30, 2020 (Predecessor). Cash proceeds from the higher sales volumes were partially offset by an increase in cash used for originations of residential mortgage loans during the period. We originated \$15,332.9 million and \$11,802.3 million in residential mortgage loans as of the six months ended June 30, 2021 (Successor and Predecessor) and for the six months ended June 30, 2020 (Predecessor), respectively.

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## Table of Contents

### Investing Cash Flow

Net cash used in investing activities totaled \$337.9 million for the three months from April 1, 2021 to June 30, 2021 (Successor), \$312.0 million for the three months from January 1, 2021 to March 31, 2021 and \$873.6 million for the six months ended June 30, 2020 (Predecessor).

The decrease of \$223.7 million in cash used in our investing activities during the for the six months ended June 30, 2021 (Successor and Predecessor), compared to the six months ended June 30, 2020 (Predecessor), was primarily attributable to higher proceeds on mortgage loans held for investment and mortgage loans held for investment, subject to nonrecourse debt during the for the six months ended June 30, 2021 (Successor and Predecessor) period compared to the six months ended June 30, 2020 (Predecessor). These amounts were partially offset by higher loan origination volumes on loans held for investment, primarily for reverse mortgage loans. We originated \$2,024.9 million and \$1,661.8 million of reverse mortgage loans for the six months ended June 30, 2021 (Successor and Predecessor) and for the six months ended June 30, 2020 (Predecessor), respectively. Reverse mortgage loans originated consist of initial reverse mortgage loan borrowing amounts, and additional participations and accretions of reverse mortgage loans, including subsequent borrower advances, mortgage insurance premiums, service fees and advances for which we are able to subsequently pool into a security.

### Financing Cash Flow

Net cash provided by financing activities totaled \$232.4 million for the three months from April 1, 2021 to June 30, 2021 (Successor), \$307.7 million for the three months from January 1, 2021 to March 31, 2021 and \$1,007.9 million for the six months ended June 30, 2020 (Predecessor).

The decrease of \$467.8 million in cash provided by our financing activities during the for the six months ended June 30, 2021 (Successor and Predecessor) compared to the six months ended June 30, 2020 (Predecessor) period was primarily driven by a \$464.9 million decrease in proceeds from issuance of nonrecourse debt, a \$644.6 million increase in payments on nonrecourse debt and the settlement of CRNCI in the amount of \$203.2 million. These decreases were offset by a net \$511.5 million increase in proceeds from other financing lines of credit and an increase in net proceeds from securitizations of reverse mortgage loans, subject to HMBS of \$397.8 million .

### Financial Covenants

Our credit facilities contain various financial covenants, which primarily relate to required tangible net worth amounts, liquidity reserves, leverage ratio requirements, and profitability requirements. These covenants are measured at our operating subsidiaries. As a result of impacts from the Business Combination, FAM was not in compliance with the lender adjusted tangible net worth quarterly and two-consecutive quarter requirements by FNMA as detailed below. The Company received a waiver for the covenant violations from FNMA. As of June 30, 2021, the Company had obtained waivers for these covenant violations and was in compliance with all other financial covenants.

### Seller/Servicer Financial Requirements

We are also subject to net worth, capital ratio and liquidity requirements established by the Federal Housing Finance Agency (“FHA”) for Fannie Mae and Freddie Mac Seller/Servicers, and Ginnie Mae for single family issuers. In both cases, these requirements apply to our operating subsidiaries, FAM and FAR, which are licensed sellers/servicers of the respective GSEs. As of June 30, 2021, we were in compliance with or had received waivers for all of our seller/servicer financial requirements for FHA and Ginnie Mae. For additional information see Note 28—Liquidity and Capital Requirements within the interim unaudited consolidated financial statements.

### Minimum Net Worth

The minimum net worth requirement for Fannie Mae and Freddie Mac is defined as follows:

- Base of \$2.5 million plus 25 basis points of outstanding UPB for total loans serviced.
- Tangible Net Worth comprises of total equity less goodwill, intangible assets, affiliate receivables and certain pledged assets.

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## Table of Contents

The minimum net worth requirement for Ginnie Mae is defined as follows:

- The sum of (i) base of \$2.5 million plus 35 basis points of the issuer's total single-family effective outstanding obligations, and (ii) base of \$5 million plus 1% of the total effective HMBS outstanding obligations.
- Tangible Net Worth is defined as total equity less goodwill, intangible assets, affiliate receivables and certain pledged assets. Effective for fiscal year 2020, under the Ginnie Mae MBS Guide, the issuers will no longer be permitted to include deferred tax assets when computing the minimum net worth requirement.

Minimum Capital Ratio

- In addition to the minimum net worth requirement, we are also required to hold a ratio of Tangible Net Worth to Total Assets (excluding HMBS securitizations) greater than 6%.
- FAR received a permanent waiver for the minimum outstanding capital requirements from Ginnie Mae.

*Minimum Liquidity*

The minimum liquidity requirement for Fannie Mae and Freddie Mac is defined as follows:

- 3.5 basis points of total Agency Mortgage Servicing, plus
- Incremental 200 basis points times the sum of the following:
- The total UPB of nonperforming (90 or more days delinquent) Agency Mortgage Servicing that is not in forbearance, plus
- The total UPB of nonperforming (90 or more days delinquent) Agency Mortgage Servicing that is in forbearance and which were delinquent at the time it entered forbearance, plus
- 30% of the UPB of nonperforming (90 or more days delinquent) Agency Mortgage Servicing that is in forbearance and which were current at the time it entered forbearance
- This liquidity must only be maintained to the extent this sum exceeds 6% of the total Agency Mortgage Servicing UPB.
- Allowable assets for liquidity may include: cash and cash equivalents (unrestricted), available for sale or held for trading investment grade securities (e.g., Agency MBS, Obligations of GSEs, US Treasury Obligations); and unused/available portion of committed servicing advance lines.

The minimum liquidity requirement for Ginnie Mae is defined as follows:

- Maintain liquid assets equal to the greater of \$1.0 million or 10 basis points of our outstanding single-family MBS.
- Maintain liquid assets equal to at least 20% of our net worth requirement for HECM MBS.

### **Summary of Certain Indebtedness**

The following description is a summary of certain material provisions of our outstanding indebtedness. As of June 30, 2021, our debt obligations were approximately \$19.4 billion. This summary does not restate the terms of our outstanding indebtedness in its entirety, nor does it describe all of the material terms of our indebtedness.

### ***Warehouse Lines of Credit***

#### Mortgage facilities

As of June 30, 2021, our Mortgage Originations segment had \$3.5 billion in warehouse lines of credit collateralized by first lien mortgages with \$1.8 billion aggregate principal amount drawn through 13 funding facility arrangements with 12 active lenders. These facilities are generally structured as master repurchase agreements under which ownership of the related eligible loans is temporarily transferred to a lender or as participation arrangements pursuant to which the lender acquires a participation interest in the related eligible loans. The funds advanced to us are generally repaid using the proceeds from the sale or securitization of the loans to, or pursuant to, programs sponsored by Fannie Mae, Freddie Mac, and Ginnie Mae or to private secondary market investors, although prior payment may be required based on, among other things, certain breaches of representations and warranties or other events of default.

## Table of Contents

When we draw on these facilities, we generally must transfer and pledge eligible loans to the lender, and comply with various financial and other covenants. The facilities generally have one-year terms and expire at various times during 2021 through 2023. Under our facilities, we generally transfer the loans at an advance rate less than the principal balance or fair value of the loans (the “haircut”), which serves as the primary credit enhancement for the lender. Since the advances to us are generally for less than 100% of the principal balance of the loans, we are required to use working capital to fund the remaining portion of the principal balance of the loans. The amount of the advance that is provided under the various facilities ranges from 86% to 100% of the market value or principal balance of the loans. Upon expiration, management believes it will either renew its existing warehouse facilities or obtain sufficient additional lines of credit. The interest rate on all outstanding facilities is LIBOR plus applicable margin.

The following table presents additional information about our Mortgage Originations segment’s warehouse facilities as of June 30, 2021 (in thousands):

<b>Mortgage Warehouse Facilities</b>	<b>Maturity Date</b>	<b>Total Capacity</b>	<b>June 30, 2021</b>
March 2022 \$300M Facility <sup>(2)</sup>	March 2022	\$ 300,000	\$ 192,417
March 2022 \$200M Facility <sup>(2)</sup>	March 2022	200,000	189,464
May 2022 \$200M Facility <sup>(1)</sup>	May 2022	200,000	189,050
February 2022 \$300M Facility <sup>(2)</sup>	February 2022	300,000	186,754
July 2021 \$200M Facility <sup>(1)</sup>	July 2021	200,000	167,207
October 2021 \$200M Facility <sup>(2)</sup>	October 2021	200,000	166,564
March 2022 \$225M Facility	March 2022	225,000	163,678
March 2022 \$200M Facility <sup>(2)</sup>	March 2022	200,000	155,468
April 2022 \$250M Facility <sup>(2)</sup>	April 2022	250,000	122,412
May 2022 \$350M Facility	May 2022	350,000	102,332
October 2021 \$250M Facility <sup>(2)</sup>	October 2021	250,000	65,541
August 2021 \$200M Facility <sup>(2)</sup>	August 2021	200,000	59,663
August 2021 \$300M Facility <sup>(1)(2)</sup>	August 2021	300,000	40,562
June 2023 \$300M Facility <sup>(2)</sup>	June 2023	300,000	—
<b>Total mortgage warehouse facilities</b>		<b>\$ 3,475,000</b>	<b>\$ 1,801,112</b>

<sup>(1)</sup> See Note 36—Subsequent Events within the interim unaudited consolidated financial statements for additional information on facility amendments.

<sup>(2)</sup> Denotes uncommitted facilities

### Reverse mortgage facilities

As of June 30, 2021, our Reverse Originations segment had \$1.2 billion in warehouse lines of credit collateralized by first lien mortgages with \$0.8 billion million aggregate principal amount drawn through 8 funding facility arrangements with 8 active lenders. These facilities are generally structured as master repurchase agreements under which ownership of the related eligible loans is temporarily transferred to a lender, or as participation arrangements pursuant to which the lender acquires a participation interest in the related eligible loans. The funds advanced to us are generally repaid using the proceeds from the sale or securitization of the loans to, or pursuant to, programs sponsored by Ginnie Mae or private secondary market investors, although prior payment may be required based on, among other things, certain breaches of representations and warranties or other events of default.

When we draw on these warehouse lines of credit, we generally must transfer and pledge eligible loans, and comply with various financial and other covenants. The facilities generally have one-year terms and expire at various times during 2021. Under our facilities, we generally transfer the loans at a haircut which serves as the primary credit enhancement for the lender. Since the advances to us are generally for less than the acquisition cost of the loans, we are required to use working capital to fund the remaining portion of the funding required for the loan. The amount of the advance that is provided under the various facilities ranges from 90 to 104% of the market value or principal balance of the loans. Upon expiration, management believes it will either renew its existing facilities or obtain sufficient additional lines of credit. The interest rate on all outstanding facilities is LIBOR plus applicable margin.

## [Table of Contents](#)

The following table presents additional information about our Reverse Origination segment's warehouse facilities as of June 30, 2021 (in thousands):

<u>Reverse Warehouse Facilities</u>	<u>Maturity Date</u>	<u>Total Capacity</u>	<u>June 30, 2021</u>
October 2021 \$400M Facility	October 2021	\$ 400,000	\$ 257,257
April 2022 \$250M Facility <sup>(1)</sup>	April 2022	250,000	214,245
December 2021 \$100M Facility <sup>(1)</sup>	December 2021	100,000	89,226
March 2022 \$100M Facility <sup>(1)</sup>	March 2022	100,000	87,936
June 2022 \$75M Facility	June 2022	75,000	72,479
June 2022 \$200M Facility <sup>(1)</sup>	June 2022	200,000	26,883
August 2021 \$50M Facility <sup>(1)</sup>	August 2021	50,000	24,329
<b>Total reverse warehouse facilities</b>		<u>\$ 1,175,000</u>	<u>\$ 772,355</u>

<sup>(1)</sup> Denotes uncommitted facilities

### Commercial loan facilities

As of June 30, 2021, our Commercial Originations segment had \$0.7 billion in warehouse lines of credit collateralized by first lien mortgages and encumbered agricultural loans with \$0.3 billion aggregate principal amount drawn through 6 funding facility arrangements with 6 active lenders. These facilities are either structured as master repurchase agreements under which ownership of the related eligible loans is temporarily transferred to a lender, as loan and security agreements pursuant to which the related eligible assets are pledged as collateral for the loan from the related lender or are collateralized by first lien loans or crop loans. The funds advanced to us are generally repaid using the proceeds from the sale or securitization of the loans to private secondary market investors, although prior payment may be required based on, among other things, certain breaches of representations and warranties or other events of default.

When we draw on these facilities, we must transfer and pledge eligible loan collateral, and comply with various financial and other covenants. The facilities generally have one-year terms and expire at various times during 2021. Under our facilities, we generally transfer the loans at a haircut, which serves as the primary credit enhancement for the lender. One of our warehouse lines of credit is also guaranteed by our wholly-owned subsidiary, Finance of America Holdings LLC ("FAH"), the parent holding company to the commercial lending business. Since the advances to us are generally for less than 100% of the principal balance of the loans, we are required to use working capital to fund the remaining portion of the principal balance of the loans. The amount of the advance that is provided under the various facilities generally ranges from 70% to 85% of the principal balance of the loans. Upon expiration, management believes it will either renew its existing facilities or obtain sufficient additional lines of credit. The interest rate on all outstanding facilities is LIBOR plus applicable margin.

## Table of Contents

The following table presents additional information about our Commercial Origination segment's warehouse facilities as of June 30, 2021 (in thousands):

<b>Commercial Warehouse Facilities</b>	<b>Maturity Date</b>	<b>Total Capacity</b>	<b>June 30, 2021</b>
September 2022 \$150M Facility	September 2022	\$ 150,000	\$ 112,229
April 2023 \$145M Facility	April 2023	145,000	86,055
February 2022 \$150M Facility	February 2022	150,000	33,768
November 2023 \$50M Facility	November 2023	65,000	30,528
August 2022 \$75M Facility	August 2022	75,000	24,746
February 2022 \$150M Facility <sup>(1)</sup>	February 2022	150,000	715
<b>Total commercial warehouse facilities</b>		<b>\$ 735,000</b>	<b>\$ 288,041</b>

<sup>(1)</sup> Denotes uncommitted facilities

### General

With respect to each of our warehouse facilities, we pay certain up-front and/or ongoing fees which can be based on our utilization of the facility. In some instances, loans held by a lender for a contractual period exceeding 45 to 60 calendar days after we originate such loans are subject to additional fees and interest rates.

Certain of our warehouse facilities contain sub-limits for "wet" loans, which allow us to finance loans for a minimal period of time prior to delivery of the note collateral to the lender. "Wet" loans are loans for which the collateral custodian has not yet received the related loan documentation. "Dry" loans are loans for which all the sale documentation has been completed at the time of funding. Wet loans are held by a lender for a contractual period, typically between five and ten business days and are subject to a reduction in the advance amount.

Interest is generally payable at the time the loan is settled off the line or monthly in arrears and principal is payable upon receipt of loan sale proceeds or transfer of a loan to another line of credit. The facilities may also require the outstanding principal to be repaid if a loan remains on the line longer than a contractual period of time, which ranges from 45 to 365 calendar days.

Interest on our warehouse facilities vary by facility and may depend on the type of asset that is being financed. Interest is based on an applicable margin over the London Inter-Bank Offered Rate ("LIBOR") or the prime rate as illustrated in the tables in this section above.

Loans financed under certain of our warehouse facilities are subject to changes in market valuation and margin calls. The market value of our loans depends on a variety of economic conditions, including interest rates and market demand for loans. Under certain facilities, if the market value of the underlying loans declines below the outstanding asset balance on such loans or if the UPB of such loans falls below a threshold related to the repurchase price for such loans, we could be required to (i) repay cash in an amount that cures the margin deficit or (ii) supply additional eligible assets or rights as collateral for the underlying loans to compensate for the margin deficit. Certain warehouse facilities allow for the remittance of cash back to us if the value of the loan exceeds the principal balance.

Our warehouse facilities require each of our borrowing subsidiaries to comply with various customary operating and financial covenants, including, without limitation, the following tests:

- minimum tangible or adjusted tangible net worth;
- maximum leverage ratio of total liabilities (which may include off-balance sheet liabilities) or indebtedness to tangible or adjusted tangible net worth;
- minimum liquidity or minimum liquid assets; and
- minimum net income or pre-tax net income.

In the event we fail to comply with the covenants contained in any of our warehouse lines of credit, or otherwise were to default under the terms of such agreements, we may be restricted from paying dividends, reducing or retiring our equity interests, making investments or incurring more debt. As a result of market disruptions and fair value accounting adjustments taken in March 2020 resulting from the COVID-19 outbreak, our commercial loan origination subsidiary

## Table of Contents

was in violation of its first, second, and third quarter 2020 profitability covenants with two of its warehouse lenders. We received waivers of the covenant violations from both lenders as well as amendments to profitability covenants for the remaining quarter of 2020. As of June 30, 2021, we were in compliance with all financial covenants.

### Other Secured Lines of Credits

As of June 30, 2021, our Mortgage, Reverse, and Commercial Originations segments collectively had \$0.7 billion in additional secured facilities with \$0.6 billion aggregate principal amount drawn through credit agreements or master repurchase agreements with 7 active lenders. These facilities are secured by, among other things, eligible asset-backed securities, MSRs, and HECM tails. In certain instances, these assets are subject to existing first lien warehouse financing, in which case these facilities (i.e., mezzanine facilities) are secured by the equity in these assets exceeding first lien warehouse financing. One of our facilities was with Blackstone Residential Operating Partnership LP, an affiliate of our sponsor, Blackstone, as lender. These facilities are generally structured as master repurchase agreements under which ownership of the related eligible assets are temporarily transferred to a lender. The funds advanced to us are generally repaid using the proceeds from the sale or securitization of the underlying assets or distribution from underlying securities, although prior payment may be required based on, among other things, certain breaches of representations and warranties or other events of default.

When we draw on these facilities, we generally must transfer and pledge eligible assets to the lender, and comply with various financial and other covenants. Under our facilities, we generally transfer the assets at a haircut which serves as the primary credit enhancement for the lender. Three of these facilities are guaranteed by our wholly-owned subsidiary, FAH, the parent holding company to the mortgage, reverse mortgage and commercial lending businesses, and one of these also benefits from a pledge of equity of our wholly-owned subsidiary, FAR. Upon expiration, management believes it will either renew these facilities or obtain sufficient additional lines of credit.

The following table presents additional information about our other secured lines of credit for our Mortgage, Reverse and Commercial Originations segments as of June 30, 2021 (in thousands):

Other Secured Lines of Credit	Maturity Date	Interest Rate	Total Capacity	June 30, 2021
\$200M Repo Facility <sup>(2)</sup>	N/A	LIBOR + applicable margin	\$ 200,000	\$ 176,549
March 2026 \$150M Facility—MSR	March 2026	LIBOR + applicable margin	150,000	125,113
February 2024 \$90M Facility <sup>(2)</sup>	February 2024	LIBOR + applicable margin	90,000	89,497
September 2022 \$52.5M Facility <sup>(2)</sup>	September 2022	LIBOR + applicable margin	52,500	52,500
April 2022 \$50M Facility <sup>(2)</sup>	April 2022	LIBOR + applicable margin	50,000	38,757
April 2022 \$90M Facility <sup>(2)</sup>	April 2022	9.00%	90,000	28,220
August 2022 \$25M Facility <sup>(2)</sup>	August 2022	10%	25,000	20,900
\$14M Securities Repo <sup>(2)</sup>	September 2021	LIBOR + applicable margin	13,951	13,951
\$4M Securities Repo Line	N/A	LIBOR + applicable margin	4,024	4,024
\$1.2M Repo Facility	N/A	LIBOR + applicable margin	1,215	1,215
<b>Total other secured lines of credit</b>			<b>\$ 676,690</b>	<b>\$ 550,726</b>

<sup>(1)</sup> See Note 36—Subsequent Events within the interim unaudited consolidated financial statements for additional information on facility amendments.

<sup>(2)</sup> Denotes uncommitted facilities

We pay certain up-front and ongoing fees based on our utilization with respect to many of these facilities. We pay commitment fees based upon the limit of the facility and unused fees are paid if utilization falls below a certain amount.

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## [Table of Contents](#)

Interest is payable either at the time the loan or securities are settled off the line or monthly in arrears and principal is payable upon receipt of asset sale proceeds, principal distributions on the underlying pledged securities or transfer of assets to another line of credit and upon the maturity of the facility.

Under these facilities, we are generally required to comply with various customary operating and financial covenants. The financial covenants are similar to those under the warehouse lines of credit. We were in compliance with all of these covenants as of June 30, 2021.

### ***HMBS related obligations***

FAR is an approved issuer of HMBS securities that are guaranteed by Ginnie Mae and collateralized by participation interests in HECMs insured by the FHA. We originate HECMs insured by the FHA. Participations in the HECMs are pooled into HMBS securities which are sold into the secondary market with servicing rights retained. We have determined that loan transfers in the HMBS program do not meet the accounting definition of a participating interest because of the servicing requirements in the product that require the issuer/servicer to absorb some level of interest rate risk, cash flow timing risk and incidental credit risk due to the buyout of HECM assets as discussed below. As a result, the transfers of the HECMs do not qualify for sale accounting, and we, therefore, account for these transfers as financings. Holders of participating interests in the HMBS have no recourse against assets other than the underlying HECM loans, remittances, or collateral on those loans while they are in the securitization pools, except for standard representations and warranties and our contractual obligation to service the HECMs and the HMBS.

Remittances received on the reverse loans, if any, and proceeds received from the sale of real estate owned and our funds used to repurchase reverse loans are used to reduce the HMBS related obligations by making payments to the securitization pools, which then remit the payments to the beneficial interest holders of the HMBS. The maturity of the HMBS related obligations is directly affected by the liquidation of the reverse loans or liquidation of real estate owned and events of default as stipulated in the reverse loan agreements with borrowers. As an HMBS issuer, FAR assumes certain obligations related to each security it issues. The most significant obligation is the requirement to purchase loans out of the Ginnie Mae securitization pools once they reach certain limits set at loan origination for the maximum UPB allowed. Performing repurchased loans are generally conveyed to HUD and nonperforming repurchased loans are generally liquidated in accordance with program requirements.

As of June 30, 2021, we had HMBS-related borrowings of \$10,168.2 million and HECMs pledged as collateral to the pools of \$10,316.0 million, both carried at fair value.

Additionally, as the servicer of reverse loans, we are obligated to fund additional borrowing capacity primarily in the form of undrawn lines of credit on floating rate reverse loans. We rely upon our operating cash flows to fund these additional borrowings on a short-term basis prior to securitization. The additional borrowings are generally securitized within 30 days after funding. The obligation to fund these additional borrowings could have a significant impact on our liquidity.

### ***Nonrecourse Debt***

We securitize and issue interests in pools of loans that are not eligible for the Ginnie Mae securitization program. These include reverse mortgage loans that were previously repurchased out of an HMBS pool (“HECM Buyouts”), fix & flip securitized loans, and non FHA-insured non-agency reverse mortgages (“non-agency reverse mortgages-Securitized”). The transactions provide investors with the ability to invest in these pools of assets. The transactions provide us with access to liquidity for these assets, ongoing servicing fees, and potential residual returns for the residual securities we retain at the time of securitization. The transactions are structured as secured borrowings with the loan assets and liabilities, respectively, included in the interim unaudited Consolidated Statements of Financial Condition as mortgage loans held for investment, subject to nonrecourse debt, at fair value, and nonrecourse debt, at fair value. As of June 30, 2021, we had nonrecourse debt-related borrowings of \$5,425.7 million.

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## [Table of Contents](#)

### Nonrecourse MSR Financing Liability, at Fair Value

The Company entered into nonrevolving facility commitments with various investors to pay an amount based on monthly cashflows received in respect of servicing fees generated from certain of the Company's originated or acquired MSRs. Under these agreements, the Company has agreed to pay an amount to these parties equal to excess servicing and ancillary fees related to the identified MSRs in exchange for an upfront payment equal to the entire purchase price of the identified acquired or originated MSRs. These transactions are accounted for as financings under ASC 470, *Debt*.

As of June 30, 2021, the Company had an outstanding advance against this commitment of \$66.5 million, with a fair value of \$65.1 million, for the purchase of MSRs. The Company accrued for excess servicing and ancillary fees against the outstanding advances in the amount of \$7.6 million to these investors for six months ended June 30, 2021.

### **Senior Unsecured Notes**

On November 5, 2020, Finance of America Funding LLC, a consolidated subsidiary of the Company, issued \$350.0 million aggregate principal amount of senior unsecured notes due November 15, 2025. The senior unsecured notes bear interest at a rate of 7.875% per year, payable semi-annually in arrears on May 15 and November 15 beginning on May 15, 2021. The 7.875% senior unsecured notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by FoA and each of FoA's material existing and future wholly-owned domestic subsidiaries (other than Finance of America Funding LLC and subsidiaries that cannot guarantee the notes for tax, contractual or regulatory reasons).

At any time prior to November 15, 2022, Finance of America Funding LLC may redeem some or all of the 7.875% senior unsecured notes at a redemption price equal to 100% of the principal amount thereof, plus the applicable premium as of the redemption date under the terms of the indenture and accrued and unpaid interest. The redemption price during each of the twelve-month periods following November 15, 2022, November 15, 2023, and at any time after November 15, 2024 is 103.938%, 101.969% and 100.000%, respectively, of the principal amount plus accrued and unpaid interest thereon. At any time prior to November 15, 2022, Finance of America Funding LLC may also redeem up to 40% of the aggregate principal amount of the notes at a redemption price equal to 107.875% of the aggregate principal amount of the senior unsecured notes redeemed, with an amount equal to or less than the net cash proceeds from certain equity offerings, plus accrued and unpaid interest.

Upon the occurrence of a change of control, the holders of the 7.875% senior unsecured notes will have the right to require Finance of America Funding LLC to make an offer to repurchase each holder's 7.875% senior unsecured notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest. The consummation of the Business Combination did not result in a change of control for purposes of Finance of America Funding LLC's 7.875% senior unsecured notes.

The 7.875% senior unsecured notes contain covenants limiting, among other things, Finance of America Funding LLC's and its restricted subsidiaries' ability to incur certain types of additional debt or issue certain preferred shares, incur liens, make certain distributions, investments and other restricted payments, engage in certain transactions with affiliates, and merge or consolidate or sell, transfer, lease or otherwise dispose of all or substantially all of Finance of America Funding LLC's assets. These incurrence based covenants are subject to important exceptions and qualifications (including any relevant exceptions for the Business Combination). Many of these covenants will cease to apply with respect to the 7.875% senior unsecured notes during any time that the 7.875% senior unsecured notes have investment grade ratings from either Moody's Investors Service, Inc. or Fitch Ratings Inc. and no default with respect to the 7.875% senior unsecured notes has occurred and is continuing.

FoA's existing owners or their affiliated entities, including Blackstone and Brian L. Libman, FoA's founder and chairman, purchased notes in the offering in an aggregate principal amount of \$135.0 million.

## Table of Contents

### Contractual Obligations and Commitments

The following table provides a summary of obligations and commitments outstanding as of June 30, 2021 (in thousands). The information below does not give effect to the Business Combination or the use of proceeds therefrom.

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual cash obligations:					
Warehouse lines of credit	\$2,724,534	\$2,607,951	\$ 116,583	\$ —	\$ —
MSR line of credit	228,560	—	89,497	125,112	13,951
Other secured lines of credit	459,140	277,352	—	—	181,788
Nonrecourse debt <sup>(1)</sup>	5,276,781	665,628	4,611,153	—	—
Notes payable	353,718	—	—	353,718	—
Operating leases	83,430	10,083	38,975	9,630	24,742
<b>Total</b>	<b>\$9,126,163</b>	<b>\$3,561,014</b>	<b>\$4,856,208</b>	<b>\$488,460</b>	<b>\$220,481</b>

<sup>(1)</sup> Nonrecourse MSR financing liability is excluded from this balance. See below for additional details.

In addition to the above contractual obligations, we have also been involved with several securitizations of HECM loans, which were structured as secured borrowings. These structures resulted in us carrying the securitized loans on the interim unaudited Consolidated Statements of Financial Condition and recognizing the asset-backed certificates acquired by third parties as HMBS obligations. The timing of the principal payments on this nonrecourse debt is dependent on the payments received on the underlying mortgage loans and liquidation of real estate owned REO. The outstanding principal balance of loans held for investment, subject to HMBS related obligations was \$9,406.9 million as of June 30, 2021.

In addition to the above contractual obligations, we have also been involved in the sale of a portion of the excess servicing and/or an agreement to pay certain amounts based on excess servicing cashflows generated on our owned mortgage servicing rights. These transactions are treated as structured financings in the interim unaudited Consolidated Statements of Financial Condition with the recognized proceeds being recorded as nonrecourse MSR financing liability. The timing of the payments of the nonrecourse MSR financing liability is dependent on the payments received on the underlying mortgage servicing rights.

The payments that we will be required to make under the TRAs that was entered into in connection with the Business Combination may be significant and are not reflected in the contractual obligations tables set forth above.

### Off Balance Sheet Arrangements

In the ordinary course of business, we may engage in certain activities that are not reflected on the interim unaudited Consolidated Statements of Financial Condition, generally referred to as off-balance sheet arrangements. These activities typically involve transactions with unconsolidated variable interest entities ("VIEs").

For all VIEs in which we are involved, we assess whether we are the primary beneficiary of the VIE on an ongoing basis. In circumstances where we have both the power to direct the activities that most significantly impact the VIEs' performance and the obligation to absorb losses or the right to receive the benefits of the VIE that could be significant, we would conclude that we are the primary beneficiary of the VIE, and would consolidate the VIE (also referred to as on-balance sheet). In situations where we are not deemed to be the primary beneficiary of the VIE, we do not consolidate the VIE and only recognize our interests in the VIE (also referred to as off-balance sheet).

We do not have any other off-balance sheet arrangements with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes as of June 30, 2021.

**CRITICAL ACCOUNTING POLICIES**

For a description of our critical accounting policies, see FoA's Super 8-K filed with the SEC on April 7, 2021.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

Our principal market risk is to interest rate risk, primarily to changes in long-term Treasury rates and mortgage interest rates due to their impact on mortgage-related assets and commitments. Changes in short-term interest rates will also have an impact on our warehouse financing lines of credit.

#### **Interest Rate Risk**

Changes in interest rates will impact our operating segments as follows:

##### *Portfolio Management*

- an increase in interest rates could generate an increase in delinquency, default and foreclosure rates resulting in an increase in both higher servicing costs and interest expense on our outstanding debt.
- an increase in interest rates and market spreads may cause a reduction in the fair value of our long-term assets.
- a decrease in interest rates may generally increase prepayment speeds of our long-term assets which would lead a reduction in the fair value of our long-term assets.

##### *Originations (Mortgage, Reverse and Commercial)*

- an increase in prevailing interest rates could adversely affect our loan origination volume as refinancing activity will be less attractive to existing borrowers.
- an increase in interest rates will lead to a higher cost of funds on our outstanding warehouse lines of credit.

##### *Lender Services*

- an increase in interest rates will lead to lower origination volumes which would negatively impact the amount of title and insurance clients we are able to service and the number of title policies that we are able to underwrite.
- lower origination volumes from an increase in interest rates may lead to a reduction in our fulfillment services as we process fewer loans for our clients.
- an increase in interest rates may lead to fewer student loan applications that we are asked to process for our clients.

We actively manage the risk profile of Interest Rate Lock Commitments (“IRLCs”) and loans held for sale on a daily basis and enter into forward sales of MBS in an amount equal to IRLCs expected to close assuming no change in mortgage interest rates.

Earnings on our held for investment assets depend largely on our interest rate spread, represented by the relationship between the yield on our interest-earning assets, primarily securitized assets, and the cost of our interest-bearing liabilities, primarily securitized borrowings. Interest rate spreads are impacted by several factors, including forward interest rates, general economic factors, and the quality of the loans in our portfolio.

#### **Consumer Credit Risk**

We are exposed to credit risk in the event that certain of our borrowers are unable to pay their outstanding mortgage balances. We manage this credit risk by actively managing delinquencies and defaults through our servicers. We provide servicing oversight of our servicers to ensure they perform loss mitigation, foreclosure and collection functions according to standard acceptable servicing practices and in accordance with our various pooling and servicing agreements. We estimate the fair values on our outstanding mortgage loans using a combination of historical loss frequency and loss experience.

We principally sell our mortgage loans on a nonrecourse basis. We provide representations and warranties to purchasers of the loans sold over the life of the loan. Whenever there is a breach of these representation and warranties we will be required to repurchase the loan or indemnify the purchaser, and any subsequent loss on the loan will be borne by us. If there is no breach of the representation and warranty provision, we have no obligation to indemnify or repurchase the investor against loss. The outstanding UPB plus any premiums on the purchased loans represent the maximum potential exposure on outstanding representation and warranties that we are exposed to.

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## [Table of Contents](#)

We estimate a reserve for losses on repurchased loans and indemnifications for future breaches of representation and warranties on any sold loans. This estimate is based on historical data on loan repurchase and indemnity activity, actual losses on repurchase loans and other factors.

### **Counterparty Credit Risk**

We are exposed to counterparty credit risk in the event of nonperformance by counterparties to various agreements. We monitor the credit ratings of counterparties and do not anticipate material losses due to counterparty nonperformance.

### **Sensitivity Analysis**

We utilize a sensitivity analysis to assess our market risk associated with changes in interest rates. This sensitivity analysis attempts to assess the potential impact to earnings based on hypothetical changes in interest rates.

The fair value of certain of our outstanding mortgage loans and related liabilities, MSR, and certain investments are valued utilizing a discounted cash flow analysis. The primary assumptions we utilize in these models include prepayment speeds, market discount rates, and credit default rates.

Our total market risk is impacted by a variety of other factors including market spreads and the liquidity of the markets. There are certain limitations inherent in the sensitivity analysis presented, including the necessity to conduct the analysis based on a single point in time.

The sensitivities presented are hypothetical and should be evaluated with care. The effect on fair value of a 25 bps variation in assumptions generally cannot be determined because the relationship of the change in assumptions to the fair value may not be linear. Additionally, the impact of a variation in a particular assumption on the fair value is calculated while holding other assumptions constant. In reality, changes in one factor may lead to changes in other factors, which could impact the above hypothetical effects.

	June 30, 2021	
	Down 25 bps	Up 25 bps
	(in thousands)	
<b>Increase (decrease) in assets</b>		
Reverse mortgage loans held for investment, subject to HMBS related obligations	\$ 29,589	\$ (30,004)
Mortgage loans held for investment, subject to nonrecourse debt:		
Reverse mortgage loans	64,917	(62,262)
Fix & flip mortgage loans	385	(385)
Mortgage loans held for investment:		
Reverse mortgage loans	7,793	(6,988)
Fix & flip mortgage loans	107	(107)
Agricultural loans	240	(240)
Mortgage loans held for sale:		
Residential mortgage loans	25,311	(34,260)
SRL	1,071	(1,076)
Portfolio	615	(605)
Mortgage servicing rights	(17,641)	13,967
Other assets	2	(2)
Derivative assets:		
Forward commitments and TBAs	1,043	(909)
Forward MBS	(7,983)	13,630
IRLCs	10,070	(9,505)
Total assets	<u>\$ 115,519</u>	<u>\$ (118,746)</u>
<b>Increase (decrease) in liabilities</b>		
HMBS related obligation	\$ 26,901	\$ (27,269)
Nonrecourse debt	22,402	(22,250)
Nonrecourse MSR financing liability	(3,275)	2,590
Derivative liabilities:		
Forward MBS	(37,085)	44,157
Interest rate swaps and futures contracts	29,749	(29,749)
Total liabilities	<u>\$ 38,692</u>	<u>\$ (32,521)</u>

#### **Item 4. Controls and Procedures**

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

##### *Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, and the information described above in this Item 4, our chief executive officer and chief financial officer concluded that, as of June 30, 2021, our disclosure controls and procedures were effective at the reasonable assurance level.

##### *Remediation of the Material Weakness in Internal Control Over Financial Reporting*

As previously reported, Replay's internal control over financial reporting did not result in the proper classification of certain of the warrants Replay issued in April 2019 which, due to its impact on Replay's financial statements, we determined to be a material weakness. Specifically, we identified a material weakness in Replay's controls over the accounting for temporary and permanent equity and complex financial instruments. The controls to evaluate the accounting for complex financial instruments, such as temporary and permanent equity and warrants, did not operate effectively to appropriately apply the provisions of ASC 815-40. This material weakness resulted in the failure to prevent a material error in the accounting for temporary and permanent equity warrants and the resulting restatement of Replay's previously issued financial statements. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that a reasonable possibility exists that a material misstatement of our annual or interim financial statements could not be prevented or detected on a timely basis.

In the second quarter of fiscal 2021, we implemented the below changes to our processes to improve our internal control over financial reporting to remediate the control deficiency that gave rise to the material weakness:

- a. While we have processes to properly identify and evaluate the appropriate accounting technical pronouncements and other literature for all significant or unusual transactions, we have enhanced these processes to ensure that the nuances of such transactions are effectively evaluated in the context of the increasingly complex accounting standards. We require the formalized consideration of obtaining additional technical guidance prior to concluding on all significant or unusual transactions.
- b. We expanded and clarified our understanding of the Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs") issued by the SEC on April 12, 2021 (the "Staff Statement") and designed and implemented a control over the calculations of the impact of the issued warrants subject to the Staff statement on our financial statements.

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[Table of Contents](#)

- c. We acquired enhanced access to accounting literature, research materials and documents and increased communication among our personnel and third-party professionals with whom we consult regarding the application of temporary and permanent equity and complex accounting transactions.

After completion of the above, our management believes the previously identified material weakness has been remediated, subject to continuous testing of the operating effectiveness of these internal controls throughout the year.

*Changes in Internal Control Over Financial Reporting*

Other than described above in this Item 4, there has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Part II—Other Information**

**Item 1. Legal Proceedings**

The information required with respect to this Part II, Item 1 can be found under Note 22 to our unaudited financial statements included in Part I, Item 1 of this report.

**Item 1A. Risk Factors**

In addition to the other information included in this report, you should carefully consider the factors discussed in “Risk Factors” included in the Registration Statement on Form S-1 (No. 333-256453), as well as the factors identified under “Cautionary Note Regarding Forward-Looking Statements” at the end of Part I, Item 1 of this Quarterly Report, which could materially affect the Company’s business, financial condition or future results. The risks described in the Registration Statement on Form S-1 and this Quarterly Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition or operating results.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

None.

**Item 5. Other Information**

None.

## Table of Contents

### Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1	<a href="#"><u>Transaction Agreement, dated as of October 12, 2020, by and among Replay; FoA; the Company; Replay Merger Sub; Blocker Merger Sub; Blocker; Blocker GP; the Sellers; and the Seller Representative (incorporated by Reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
2.2	<a href="#"><u>Letter Agreement, dated April 1, 2021, by and among Seller Representative and Replay (incorporated by Reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
2.3	<a href="#"><u>Letter Agreement, dated April 5, 2021, by and among Seller Representative and Replay (incorporated by Reference to Exhibit 2.3 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
2.4	<a href="#"><u>Letter Agreement, dated March 31, 2021, by and among Family Holdings; TMO; BTO Urban; BTO Urban Holdings II L.P.; and ESC (incorporated by Reference to Exhibit 2.4 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
3.1	<a href="#"><u>Amended and Restated Memorandum and Articles of Association (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-38859), filed with the Securities and Exchange Commission on April 9, 2019).</u></a>
3.2	<a href="#"><u>Amended and Restated Bylaws of Finance of America Companies Inc. (incorporated by Reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
4.1	<a href="#"><u>Specimen Warrant Certificate (included in Exhibit 4.2).</u></a>
4.2	<a href="#"><u>Assignment, Assumption and Amendment Agreement, dated as of April 1, 2021, by and among Replay, the Company and Continental Stock Transfer &amp; Trust Company (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
4.3	<a href="#"><u>Warrant Agreement between Continental Stock Transfer &amp; Trust Company and Replay (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.1	<a href="#"><u>Fourth Amendment to the Master Repurchase Agreement among Grand Oak Trust, as buyer, and Finance of America Reverse LLC, as seller, dated March 23, 2021 (incorporated by Reference to Exhibit 10.19.4 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.2	<a href="#"><u>Fourth Amendment to the Master Repurchase Agreement among Nomura Corporate Funding Americas, LLC, as buyer, and Finance of America Commercial LLC, as seller, dated February 19, 2021 (incorporated by Reference to Exhibit 10.20.4 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.3	<a href="#"><u>Fifth Amendment to the Master Repurchase Agreement among Nomura Corporate Funding Americas, LLC, as buyer, and Finance of America Commercial LLC, as seller, dated February 26, 2021 (incorporated by Reference to Exhibit 10.20.5 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.4	<a href="#"><u>Exchange Agreement, dated April 1, 2021, between the Company, FoA Equity and the Continuing Unitholders (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.5	<a href="#"><u>Tax Receivable Agreement, dated April 1, 2021, between the Company, the Blackstone Investors and the other parties thereto (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.6	<a href="#"><u>Tax Receivable Agreement, dated April 1, 2021, between the Company, the BL Investors and the other parties thereto (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.7	<a href="#"><u>Amended and Restated UFG Holdings LLC Management Long-Term Incentive Plan (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.8	<a href="#"><u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.9	<a href="#"><u>Finance of America Companies Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>
10.10	<a href="#"><u>Form of Subscription Agreement (incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K filed on April 7, 2021).</u></a>

## Table of Contents

<u>Exhibit No.</u>	<u>Description</u>
10.11*	<a href="#"><u>Form of Restricted Stock Unit Agreement under the Finance of America Companies Inc. 2021 Omnibus Incentive Plan.</u></a>
10.12*	<a href="#"><u>Amended and Restated Master Repurchase Agreement, dated as of June 28, 2021, among Nomura Corporate Funding Americas, LLC, as agent and NCFA buyer, Nomura Securities International, Inc., as NSI buyer, Oakdale Secured Funding Trust Fossil, acting with respect Series 2021-1, as a buyer, Finance of America Reverse LLC as seller and FAR REO Sub I LLC, as REO subsidiary.</u></a>
10.13*	<a href="#"><u>Amendment No. 5 to Master Repurchase Agreement, dated as of June 21, 2021, by and between Finance of America Mortgage LLC as seller and Nomura Corporate Funding Americas, LLC as buyer.</u></a>
31.1*	<a href="#"><u>Certificate of Patricia Cook, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2*	<a href="#"><u>Certificate of Johan Gericke, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1**	<a href="#"><u>Certificate of Patricia Cook, Chief Executive Officer, pursuant to Section 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2**	<a href="#"><u>Certificate of Johan Gericke, Chief Executive Officer, pursuant to Section 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS***	Inline XBRL Instance Document—this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH***	Inline XBRL Taxonomy Extension Schema Document.
101.CAL***	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF***	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB***	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE***	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

\* Filed herewith.

\*\* Furnished herewith.

\*\*\* XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

Certain agreements and other documents filed as exhibits to this Form 10-Q contain representations and warranties that the parties thereto made to each other. These representations and warranties have been made solely for the benefit of the other parties to such agreements and may have been qualified by certain information that has been disclosed to the other parties to such agreements and other documents and that may not be reflected in such agreements and other documents. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, there can be no reliance on any such representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of any such representations and warranties may have changed since the date of such agreements and other documents.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Finance of America Companies Inc.**

Dated: August 16, 2021

By: /s/ Johan Gericke  
Johan Gericke  
Executive Vice President and Chief Financial Officer  
(Authorized Signatory and Principal Financial Officer)

**RESTRICTED STOCK UNIT AGREEMENT  
UNDER THE  
FINANCE OF AMERICA COMPANIES INC.  
2021 OMNIBUS INCENTIVE PLAN**

Pursuant to the Restricted Stock Unit Grant Notice (the "Grant Notice") delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Restricted Stock Unit Agreement (this "Restricted Stock Unit Agreement") and the Finance of America Companies Inc. 2021 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), Finance of America Companies Inc., a Delaware corporation, (the "Company") and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

1. **Grant of Restricted Stock Units.** Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units provided in the Grant Notice (with each Restricted Stock Unit representing an unfunded, unsecured right to receive one share of Common Stock). The Company may make one or more additional grants of Restricted Stock Units to the Participant under this Restricted Stock Unit Agreement by providing the Participant with a new grant notice, which may also include any terms and conditions differing from this Restricted Stock Unit Agreement to the extent provided therein. The Company reserves all rights with respect to the granting of additional Restricted Stock Units hereunder and makes no implied promise to grant additional Restricted Stock Units.

2. **Vesting.** Subject to the conditions contained herein and in the Plan, the Restricted Stock Units shall vest as provided in the Grant Notice.

3. **Settlement of Restricted Stock Units.** The provisions of Section 9(d)(ii) of the Plan are incorporated herein by reference and made a part hereof and, in accordance therewith, any vested Restricted Stock Units shall be settled in shares of Common Stock as soon as reasonably practicable (and, in any event, within two and one-half months, except with respect to the Restricted Stock Units that vest on the Vesting Reference Date (as defined in the Grant Notice) which shall be settled promptly on or following the 181<sup>st</sup> date following the Vesting Reference Date) following the expiration of the applicable Restricted Period; *provided*, however, that the Committee may, in its sole discretion, elect to (A) pay cash or part cash and part shares of Common Stock in lieu of issuing only shares of Common Stock in respect of such Restricted Stock Units or (B) defer the issuance of shares of Common Stock (or cash or part cash and part shares of Common Stock, as the case may be) beyond the expiration of the Restricted Period if such extension would not cause adverse tax consequences under Section 409A of the Code. Notwithstanding the foregoing, to the extent that any Restricted Stock Units vest (or would otherwise be settled) during a time when trading in shares of Common Stock by employees of the Company Group is restricted by the Company's insider trading or similar policy (or a Company imposed "blackout period") (a "Closed Window"), such Restricted Stock Units will be settled promptly following the end of the Closed Window to the extent such delay in settlement will not cause adverse tax consequences under Section 409A of the Code. With respect to any Restricted Stock Unit, the period of time on and prior to the applicable vesting date in which such Restricted Stock Unit is subject to vesting shall be its Restricted Period. Notwithstanding anything in this Restricted Stock Unit Agreement to the contrary, the Company shall have no obligation to issue or transfer any shares of Common Stock as contemplated by this Restricted Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any stock exchange on which the Company's shares of Common Stock are listed for trading. Prior to settlement of any vested Restricted Stock Units, the Restricted Stock Units will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

4. **Treatment of Restricted Stock Units Upon Termination.** Subject to the Grant Notice, the provisions of Section 9(c)(ii) of the Plan are incorporated herein by reference and made a part hereof.

5. **Company; Participant.**

a. The term "Company" as used in this Restricted Stock Unit Agreement with reference to employment shall include the applicable Service Recipient.

b. Whenever the word "Participant" is used in any provision of this Restricted Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred in accordance with Section 13(b) of the Plan, the word "Participant" shall be deemed to include such person or persons.

6. **Non-Transferability.** The Restricted Stock Units are not transferable by the Participant (unless such transfer is specifically required pursuant to a domestic relations order or by applicable law). Except as otherwise provided herein, no assignment or transfer of the Restricted Stock Units, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Restricted Stock Units shall terminate and become of no further effect.

7. **Rights as Stockholder; Dividend Equivalents.** The Participant shall have no rights as a stockholder with respect to any share of Common Stock underlying a Restricted Stock Unit (including no rights with respect to voting) unless and until the Participant shall have become the holder of record or the beneficial owner of such Common Stock, and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Common Stock for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof.

8. **Legend.** To the extent applicable, all book entries (or certificates, if any) representing the shares of Common Stock delivered to Participant as contemplated by Section 3 above shall be subject to the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares of Common Stock are listed, and any applicable Federal or state laws, and the Company may cause notations to be made next to the book entries (or a legend or legends put on certificates, if any) to make appropriate reference to such restrictions. Any such book entry notations (or legends on certificates, if any) shall include a description to the effect of any restrictions.

9. **Tax Withholding.** Notwithstanding anything in Section 13(d)(i) or (ii) of the Plan to the contrary, the Participant shall be required to satisfy the minimum income, employment, and any other applicable taxes that are statutorily required to be withheld with respect to Restricted Stock Units (collectively, "Minimum Withholding Tax Obligations") by having the Company withhold from the shares of Common Stock otherwise issuable or deliverable to the Participant upon settlement of the Restricted Stock Units, a number of shares of Common Stock with an aggregate Fair Market Value equal to an amount equal to such Minimum Withholding Tax Obligations.

10. **Notice.** Every notice or other communication relating to this Restricted Stock Unit Agreement between the Company and the Participant shall be in writing, which may include by electronic mail and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; *provided* that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel or its designee, and all notices or communications by the

Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

11. **No Right to Continued Service.** This Restricted Stock Unit Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Recipient or any other member of the Company Group.

12. **Binding Effect.** This Restricted Stock Unit Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

13. **Waiver and Amendments.** Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Restricted Stock Unit Agreement shall be valid only if made in writing and signed by the parties hereto; *provided, however*, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

14. **Clawback/Repayment.** This Restricted Stock Unit Agreement shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or the Committee and as in effect from time to time; and (ii) applicable law. In addition, if the Participant receives any amount in excess of what the Participant should have received under the terms of this Restricted Stock Unit Agreement for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company.

15. **Detrimental Activity.** Notwithstanding anything to the contrary contained herein or in the Plan, if the Participant has engaged in or engages in any Detrimental Activity, as determined by the Committee, then the Committee may, in its sole discretion, take actions permitted under the Plan, including, but not limited to: (i) cancelling any and all Restricted Stock Units, or (ii) requiring that the Participant forfeit any gain realized on the vesting of the Restricted Stock Units, and repay such gain to the Company.

16. **Right to Offset.** The provisions of Section 13(x) of the Plan are incorporated herein by reference and made a part hereof.

17. **Governing Law.** This Restricted Stock Unit Agreement shall be construed and interpreted in accordance with the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof. Notwithstanding anything contained in this Restricted Stock Unit Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Restricted Stock Unit Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Delaware. THE PARTICIPANT IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST SUCH PARTICIPANT IN RESPECT OF THE PARTICIPANT'S RIGHTS OR OBLIGATIONS HEREUNDER.

18. **Plan.** The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Restricted Stock Unit Agreement (including the Grant Notice), the Plan shall govern and control.

19. **Section 409A.** It is intended that the Restricted Stock Units granted hereunder shall be exempt from Section 409A of the Code pursuant to the “short-term deferral” rule applicable to such section, as set forth in the regulations or other guidance published by the Internal Revenue Service thereunder. Without limiting the foregoing, the Committee will have the right to amend the terms and conditions of this Restricted Stock Unit Agreement and/or the Grant Notice in any respect as may be necessary or appropriate to comply with Section 409A of the Code, including without limitation by delaying the issuance of the shares of Common Stock contemplated hereunder. Notwithstanding any other provision of this Restricted Stock Unit Agreement to the contrary, (i) the Company and its respective officers, directors, employees, or agents make no guarantee that the terms of this Restricted Stock Unit Agreement as written comply with the provisions of Section 409A of the Code, and none of the foregoing shall have any liability for the failure of the terms of this Restricted Stock Unit Agreement as written to comply with the provisions of Section 409A of the code and (ii) if the Participant is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, no payments in respect of any Awards that are “deferred compensation” subject to Section 409A of the Code and which would otherwise be payable upon the Participant’s “separation from service” (as defined in Section 409A of the Code) shall be made to such Participant prior to the date that is six (6) months after the date of such Participant’s “separation from service” or, if earlier, the date of the Participant’s death. Following any applicable six (6) month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A of the Code that is also a business day. Each payment in a series of payments hereunder will be deemed to be a separate payment for purposes of Section 409A of the Code.

20. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant’s participation in the Plan, on the Restricted Stock Units and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

21. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

22. **Entire Agreement.** This Restricted Stock Unit Agreement, the Grant Notice, the LTIP (as defined in the Grant Notice) and the Plan constitute the entire agreement of the parties hereto in respect of the subject matter contained herein and supersede all prior agreements and understandings of the parties, oral and written, with respect to such subject matter.

Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed

**EXECUTION**

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**AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT**

among

**NOMURA CORPORATE FUNDING AMERICAS, LLC,**  
as Agent and NCFA Buyer,

**NOMURA SECURITIES INTERNATIONAL, INC.,**  
as NSI Buyer,

**OAKDALE SECURED FUNDING TRUST FOSSIL, acting with respect to Series 2021-1,**  
as a Buyer, and the other Buyers from time to time party hereto,

**FINANCE OF AMERICA REVERSE LLC,**  
as Seller,

and

**FAR REO SUB I LLC,**  
as REO Subsidiary

Dated as of June 28, 2021

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**TABLE OF CONTENTS**

	<b>Page</b>
SECTION 1. APPLICABILITY; TRANSACTION OVERVIEW	1
SECTION 2. DEFINITIONS	2
SECTION 3. INITIATION; TERMINATION	27
SECTION 4. MARGIN AMOUNT MAINTENANCE	35
SECTION 5. INCOME PAYMENTS	35
SECTION 6. REQUIREMENTS OF LAW	37
SECTION 7. TAXES	38
SECTION 8. SECURITY INTEREST; AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT	42
SECTION 9. PAYMENT, TRANSFER AND CUSTODY	47
SECTION 10. HYPOTHECATION OR PLEDGE OF PURCHASED ASSETS AND CONTRIBUTED REO PROPERTIES	47
SECTION 11. FEES	47
SECTION 12. REPRESENTATIONS	47
SECTION 13. COVENANTS OF SELLER PARTIES	53
SECTION 14. EVENTS OF DEFAULT	62
SECTION 15. REMEDIES	64
SECTION 16. INDEMNIFICATION AND EXPENSES	67
SECTION 17. SERVICING	68
SECTION 18. RECORDING OF COMMUNICATIONS	69
SECTION 19. DUE DILIGENCE	69
SECTION 20. ASSIGNABILITY	70
SECTION 21. TRANSFER AND MAINTENANCE OF REGISTER	71
SECTION 22. TAX TREATMENT	71

---

SECTION 23.	SET-OFF	71
SECTION 24.	TERMINABILITY	72
SECTION 25.	NOTICES AND OTHER COMMUNICATIONS	72
SECTION 26.	ENTIRE AGREEMENT; SEVERABILITY; SINGLE AGREEMENT	72
SECTION 27.	GOVERNING LAW	73
SECTION 28.	SUBMISSION TO JURISDICTION; WAIVERS	73
SECTION 29.	NO WAIVERS, ET CETERA	74
SECTION 30.	NETTING	74
SECTION 31.	CONFIDENTIALITY	74
SECTION 32.	INTENT	76
SECTION 33.	DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS	77
SECTION 34.	CONFLICTS	78
SECTION 35.	AUTHORIZATIONS	78
SECTION 36.	WIRE INSTRUCTIONS	78
SECTION 37.	MISCELLANEOUS.	79
SECTION 38.	GENERAL INTERPRETIVE PRINCIPLES	80
SECTION 39.	APPOINTMENT AND AUTHORITY OF AGENT.	80
SECTION 40.	SERIES LIMITATION OF LIABILITY	82
SECTION 41.	SERIES	82
SECTION 42.	AMENDMENT AND RESTATEMENT	83

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SCHEDULE 1-A	REPRESENTATIONS AND WARRANTIES RE: MORTGAGE LOANS
SCHEDULE 1-B	REPRESENTATIONS AND WARRANTIES RE: POOLED LOANS
SCHEDULE 1-C	REPRESENTATIONS AND WARRANTIES RE: CONTRIBUTED REO PROPERTIES
SCHEDULE 1-D	REPRESENTATIONS AND WARRANTIES RE: REO SUBSIDIARY INTERESTS
SCHEDULE 2	AUTHORIZED REPRESENTATIVES
EXHIBIT A	FORM OF CONFIRMATION LETTER
EXHIBIT B	UNDERWRITING GUIDELINES
EXHIBIT C	SELLER'S AND REO SUBSIDIARY'S TAX IDENTIFICATION NUMBER
EXHIBIT D	QUALITY CONTROL REPORT
EXHIBIT E	MONTHLY SERVICING REPORT
EXHIBIT F	FORM OF SECTION 7 CERTIFICATE
EXHIBIT G	ASSET SCHEDULE FIELDS
EXHIBIT H	FORM OF ESCROW INSTRUCTION LETTER
EXHIBIT I-1	FORM OF SUBSERVICER NOTICE (CELINK)
EXHIBIT I-2	RESERVED
EXHIBIT I-3	FORM OF SERVICER NOTICE AND PLEDGE
EXHIBIT J	FORM OF POWER OF ATTORNEY
EXHIBIT K	AGENT'S WIRE INSTRUCTIONS
EXHIBIT L	SELLER'S AND DISBURSEMENT AGENT'S WIRE INSTRUCTIONS
EXHIBIT M	FORM OF JOINDER AGREEMENT

## AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT

This is an AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT, dated as of June 28, 2021, among FINANCE OF AMERICA REVERSE LLC, a Delaware limited liability company, in its capacity as seller (the “Seller”), FAR REO SUB I LLC, a Delaware limited liability company, in its capacity as REO subsidiary (the “REO Subsidiary”, and together with the Seller, each, a “Seller Party”, and collectively, the “Seller Parties”), NOMURA CORPORATE FUNDING AMERICAS, LLC, a Delaware limited liability company (“NCFA”), in its capacity as a buyer (“NCFA Buyer”), NOMURA SECURITIES INTERNATIONAL, INC., a New York corporation, in its capacity as a buyer (“NSI Buyer”), OAKDALE SECURED FUNDING TRUST FOSSIL, acting with respect to Series 2021-1, in its capacity as a buyer (together with its permitted successors and assigns in such capacity hereunder, “SPV Buyer”, and together with NCFA Buyer, NSI Buyer and each other entity that may be subsequently added as a party hereto in the capacity of Buyer pursuant to a Joinder Agreement, each, a “Buyer”, and collectively, the “Buyers”), and NCFA, as agent pursuant hereto (together with its permitted successors and assigns in such capacity hereunder, “Agent”).

### RECITALS

WHEREAS, NCFA Buyer and Seller previously entered into a Master Repurchase Agreement, dated as of April 2, 2015 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the “Existing Agreement”); and

WHEREAS, the parties hereto have agreed that the Existing Agreement be amended and restated in its entirety to add the REO Subsidiary, NSI Buyer and SPV Buyer hereunder, to appoint NCFA Buyer as the Agent, and to incorporate certain agreed-upon revisions to the Existing Agreement, on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Applicability; Transaction Overview. Subject to the terms and conditions set forth herein, from time to time and at the request of Seller, the parties may enter into transactions in which Seller agrees to sell, transfer and assign to (i) Agent, on behalf of the Buyers, the Mortgage Loans and the REO Subsidiary Interests, and (ii) the REO Subsidiary, the Contributed REO Properties, in each case, against the transfer of funds by Buyers representing the Purchase Price for such Purchased Assets and Contributed REO Properties, with a simultaneous agreement by Agent on behalf of Buyers to transfer to Seller Purchased Assets and permit the release of Contributed REO Properties from the REO Subsidiary, and Seller to repurchase such Purchased Assets and cause the release of such Contributed REO Properties in a repurchase transaction at a date not later than the Termination Date, against the transfer of funds by Seller representing the Repurchase Price for such Purchased Assets and Contributed REO Properties. Each such transaction involving the purchase and sale of additional Mortgage Loans or REO Subsidiary Interests from Seller or the transfer of additional Contributed REO Property to the REO Subsidiary resulting in an increase or decrease in the value of the REO Subsidiary Interests, as applicable, shall be referred to herein as a “Transaction” and, unless otherwise agreed in writing,

shall be governed by this Agreement, including any supplemental terms or conditions contained in any annexes identified herein, as applicable hereunder. For the avoidance of doubt, and for administrative and tracking purposes, the purchase and sale of each Purchased Asset and each Contributed REO Property shall be deemed a separate Transaction.

Seller owns 100% of the beneficial interest in the REO Subsidiary. On the A&R Effective Date, Agent for the benefit of Buyers shall purchase the REO Subsidiary Interests from Seller in connection with the Transaction on such date. As part of separate Transactions Seller may request and Agent for the benefit of Buyers may fund, subject to the terms and conditions of this Agreement, an increase in the Purchase Price for the REO Subsidiary Interests based upon the conveyance by Seller of additional Contributed REO Properties, including on account of Purchased Assets that were converted from Mortgage Loans, to the REO Subsidiary.

In order to further secure the Obligations hereunder, the interest in the assets of the REO Subsidiary shall be pledged by the REO Subsidiary to the Agent for the benefit of Buyers.

Section 2. Definitions. As used herein, the following terms shall have the following meanings.

“1933 Act” shall mean the Securities Act of 1933, as amended.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“A&R Effective Date” shall mean the date upon which the conditions precedent set forth in Section 3(a) shall have been satisfied.

“Accelerated Repurchase Date” shall have the meaning set forth in Section 15(a)(i) hereof.

“Accepted Servicing Practices” shall mean, with respect to any Mortgage Loan or Contributed REO Property, those mortgage servicing practices of prudent mortgage lending institutions which service Mortgage Loans of the same type as such Mortgage Loan or REO Properties of the same type as such Contributed REO Property in the jurisdiction where the related Mortgaged Property or Contributed REO Property is located and, with respect to any (x) HECM Loan Purchased Asset, are in compliance with the Ginnie Mae Guide, and (y) Assignable Buyout Purchased Asset or Non-Assignable Buyout Purchased Asset are in compliance with FHA Regulations.

“Additional Repurchase Assets” shall have the meaning set forth in Section 8(b) hereof.

“Adjusted Principal Balance” shall mean (i) for Pool Eligible HECM Loans, the HECM Loan Principal Balance as of the date of the initial disbursement reduced by all amounts received or collected in respect of principal on such Pool Eligible HECM Loan, but increased by any accrued interest or other amounts permitted to be added to such Adjusted Principal Balance, (ii) for HECM Buyouts, the HECM Loan Principal Balance as of the Purchase Date, reduced by all amounts received or collected in respect of principal on such HECM Buyouts, but increased by any accrued interest or other amounts permitted to be added to such Adjusted Principal Balance, (iii) for Home Safe Loans, the unpaid principal balance as of the Purchase Date, reduced by all amounts received or collected in respect of principal on such Home Safe Loans, but increased by

any accrued interest or other amounts permitted to be added to such Adjusted Principal Balance, and (iv) for Contributed REO Property, the HECM Loan Principal Balance or the unpaid principal balance, as applicable, as of the Conversion Date reduced by all amounts received or collected in respect of principal on such Contributed REO Property, but increased by any accrued interest or other amounts permitted to be added to such Adjusted Principal Balance.

“Administration Agreement” shall mean that certain Master Administration Agreement, dated as of June 28, 2021, by and among Agent, NCFA Buyer, NSI Buyer, SPV Buyer, and each other Buyer (as defined therein), each as a Buyer, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Affiliate” shall mean, with respect to any Person, any “affiliate” of such Person, as such term is defined in the Bankruptcy Code, but excluding Blackstone Tactical Opportunities Funds and BTO Urban Holdings LLC.

“Affiliated Servicer” shall mean a Servicer that is an Affiliate of Seller.

“Agency” shall mean Ginnie Mae.

“Agency Approval” shall have the meaning set forth in Section 13(v) hereof.

“Agency Claim Process” shall mean the FHA claim process, as applicable, with respect to any Mortgage Loan that remains a defaulted mortgage loan.

“Agency Eligible Mortgage Loan” shall mean a mortgage loan that is in strict compliance with the eligibility requirements for swap or purchase by the Agency, under the Ginnie Mae Guide and/or Ginnie Mae Program.

“Agent” shall have the meaning set forth in the preamble hereof.

“Agent’s Wire Instructions” shall mean the related wire instructions of Agent set forth on Exhibit K hereto.

“Aggregate Unpaid Repurchase Price” shall mean, as of any date, the sum of the Repurchase Price of all Purchased Assets.

“Aggregate Utilized Purchase Price” shall have the meaning set forth in the Pricing Side Letter.

“Agreement” shall mean this Amended and Restated Master Repurchase Agreement, dated as of the date hereof, among Agent, Buyers and Seller Parties, as the same may be further amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“Anti-Money Laundering Laws” shall mean all applicable anti-money laundering laws and regulations, including without limitation the USA PATRIOT Act of 2001.

“Asset Detail and Exception Report” shall have the meaning set forth in the Custodial Agreement.

“Asset File” shall have the meaning set forth in the Custodial Agreement.

“Asset Schedule” shall mean, with respect to any Transaction as of any date, an asset schedule in the form of a computer tape or other electronic medium generated by Seller and delivered to Agent and the Custodian, which provides information (including, without limitation, the information set forth on Exhibit G hereto) relating to the Purchased Assets and Eligible Mortgage Loans and the Contributed REO Properties in a format reasonably acceptable to Agent.

“Asset Value” shall mean, with respect to:

(1) each Eligible Mortgage Loan that is a Non-Assignable Buyout, as of any date of determination, the product of (i) the related Purchase Price Percentage with respect to such Non-Assignable Buyout and (ii) the Market Value of such Non-Assignable Buyouts; provided that the Market Value of such Non-Assignable Buyout shall not exceed the related Adjusted Principal Balance;

(2) each Eligible Mortgage Loan that is an Assignable Buyout, as of any date of determination, the product of (i) the related Purchase Price Percentage with respect to such Assignable Buyout and (ii) the Market Value of such Assignable Buyout; provided that the Market Value of such Assignable Buyout shall not exceed the related Maximum Claim Amount;

(3) each Eligible Mortgage Loan that is a Pool Eligible HECM Loan, as of any date of determination, the product of (i) the related Purchase Price Percentage with respect to such Eligible Mortgage Loan and (ii) the Market Value of such Pool Eligible HECM Loan (subject to modification pursuant to the terms below);

(4) each Eligible Mortgage Loan that is a Home Safe Loan, as of any date of determination, the lesser of (i) the product of (A) the applicable Purchase Price Percentage for such Home Safe Loan and (B) the Market Value of such Home Safe Loan and (ii) the Adjusted Principal Balance of such Home Safe Loan (subject to modification pursuant to the terms below); provided that, the aggregate Asset Value of all Home Safe Loans shall not exceed the aggregate Adjusted Principal Balance of such Home Safe Loans; and

(5) with respect to an Eligible REO Property, the product of (i) the related Purchase Price Percentage with respect to such Eligible REO Property and (ii) the lesser of (x) the Market Value of such Eligible REO Property and (y) the Adjusted Principal Balance of such Eligible REO Property.

Without limiting the generality of the foregoing, Seller acknowledges that the Asset Value of a Purchased Asset or a Contributed REO Property may be reduced to[\*\*\*] by Agent for the benefit of Buyers, or such other valuation as determined by Agent for the benefit of Buyers in its sole discretion, if:

(a) such Purchased Asset ceases to be an Eligible Asset or such Contributed REO Property ceases to be an Eligible REO Property;

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(b) (A) the related Mortgage Note has been released from the possession of Custodian (other than to a Take-out Investor pursuant to a Bailee Letter or pursuant to an Attorney Bailee Letter) for a period in excess of [\*\*\*] or (B) the related Mortgage Note has been released from the possession of Custodian to an attorney pursuant to Section 3.2(g) of the Custodial Agreement and a fully-executed Attorney Bailee Letter is not received by Custodian within [\*\*\*] of release;

(c) the Purchased Asset has been released from the possession of the Custodian under the Custodial Agreement to a Take-out Investor pursuant to a Bailee Letter or pursuant to Section 3.2(c) of the Custodial Agreement for a period in excess of [\*\*\*];

(d) such Purchased Asset is a Pool Eligible HECM Loan and is not in compliance for inclusion in a Ginnie Mae Security;

(e) the related Mortgage Note, Mortgage or related guarantee, if any, are determined to be unenforceable;

(f) such Purchased Asset is identified as a Pool Eligible HECM Loan and has been subject to a Transaction in excess of [\*\*\*];

(g) such Purchased Asset is a Non-Assignable Buyout and the Mortgage thereunder is subject to an eviction proceeding;

(h) if such Purchased Asset is a Wet-Ink Mortgage Loan, the Custodian has failed to issue a Trust Receipt showing no exceptions with respect to such Purchased Asset to Agent for the benefit of Buyers in accordance with the Custodial Agreement on or prior to the Wet-Ink Delivery Date;

(i) Agent for the benefit of Buyers has determined in its good faith discretion that the Mortgage Loan is not eligible for whole loan sale or securitization in a transaction consistent with the prevailing sale and securitization industry;

(j) such Purchased Asset is a HECM Loan that relates to any advance other than the initial advance thereunder;

(k) such Purchased Asset is a HECM Loan that has been repurchased from a Ginnie Mae securitization for a reason other than as a result of the HECM Loan Principal Balance equal or exceeding the Ginnie Mae HECM Repurchase Trigger;

(l) such Purchased Asset is a Delinquent (Non-Mortality) Home Safe Loan;

(m) such Purchased Asset is a Home Safe Loan and (A) any of the following maturity events shall have occurred: (1) the death of the last living Mortgagor thereunder or (2) any other "Maturity Event" or similar event as specified in the related Mortgage Note or Mortgage which would render such Home Safe Loan due and payable and (B) and the Mortgage thereunder is subject to an eviction proceeding;

(n) a Reputational Risk Issue shall have occurred with respect to such Purchased Asset;

(o) if such Mortgage Loan is a Pooled Loan, such Pooled Loan is subject to a Transaction hereunder in excess of [\*\*\*] following becoming a Pooled Loan;

(p) if the Purchase Price of such Purchased Asset or Eligible Assets attributed to such Purchased Asset in the case of the REO Subsidiary Interests, when added to the unpaid Purchase Price of all Purchased Assets or Eligible Assets, as applicable, of the same type (as set forth on Schedule 1 of the Pricing Side Letter) exceeds the applicable Concentration Limit (as set forth on Schedule 1 of the Pricing Side Letter) for such Purchased Asset type;

(q) if such Mortgage Loan is subject to a Security Issuance Failure;

(r) if such Purchased Asset is a HECM Buyout, or REO Property resulting from a HECM Buyout, an appraisal-based claim has been made with respect to such HECM Buyout, for which amounts have been received or collected from HUD on account of such claim, or with respect to which related HUD claims proceeds have otherwise been paid;

(s) with respect to any Contributed REO Property, the related Deed in the name of the REO Subsidiary has not been submitted for recordation with a copy delivered to the Custodian within [\*\*\*] following the Conversion Date or the Contributed REO Property is Unrecorded REO Property or a copy of the related Deed with recording information thereon is not delivered to the Custodian within [\*\*\*] of the Conversion Date;

(t) with respect to any Contributed REO Property, such Contributed REO Property is found to have an Environmental Issue; or

(u) with respect to any Contributed REO Property, an appraisal-based claim has been made with respect to such REO Property, for which amounts have been received or collected from HUD on account of such claim, or with respect to which related HUD claims proceeds have otherwise been paid.

“Assignable Buyout” shall mean a HECM Loan subject to a HECM Buyout which are assignable to (and will be assigned to) HUD.

“Assignable Buyout Purchased Assets” shall mean any Purchased Assets which are Assignable Buyouts.

“Assignable Buyout Tranche” shall mean the Purchase Price of this facility for which Assignable Buyout Purchased Assets are subject to Transactions hereunder.

“Assignment and Acceptance” shall have the meaning set forth in Section 20 hereof.

“Attorney Bailee Letter” shall mean a bailee letter substantially in the form prescribed by the Custodial Agreement or otherwise approved in writing by Agent.

“Authorized Representative” shall mean, for the purposes of this Agreement only, an agent or Responsible Officer of a Seller Party, Buyers and Agent listed on Schedule 2 hereto, as such Schedule 2 may be amended from time to time.

“Bailee Letter” shall mean a bailee letter substantially in the form prescribed by the Custodial Agreement or otherwise approved in writing by Agent.

“Bank” shall mean Texas Capital Bank, N.A., in its capacity as bank, or a successor bank approved in writing by Agent, with respect to the Collection Account Control Agreement.

“Bankruptcy Code” shall mean the United States Bankruptcy Code of 1978, as amended from time to time.

“BPO” shall mean a broker’s price opinion of the fair market value of a Mortgaged Property given by a licensed real estate agent or broker acceptable to Agent in conformity with customary and usual business practices, which generally includes [\*\*\*] comparable sales and [\*\*\*] comparable listings.

“BPO Value” shall mean, with respect to any Mortgage Loan or REO Property, the value of the related Mortgaged Property or REO Property as set forth in the BPO obtained by or on behalf of Seller; provided, however, that if such determined value is not acceptable to Agent, then Agent may require Seller to obtain an additional BPO from a BPO provider, such provider to be selected by Agent in its sole discretion.

“Business Day” shall mean a day other than (i) a Saturday or Sunday, (ii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the States of New York or California, or (iii) any day on which the New York Stock Exchange is closed.

“Buyer(s)” shall have the meaning set forth in the preamble hereof and shall include successors in interest and assigns, and with respect to Section 7, participants.

“Capital Lease Obligations” shall mean, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

“Capital Stock” shall mean, as to any Person, any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent equity ownership interests in a Person which is not a corporation, including, without limitation, any and all member or other equivalent interests in any limited liability company, limited partnership, trust, and any and all warrants or options to purchase any of the foregoing, in each case, designated as “securities” (as defined in Section 8-102 of the UCC) in such Person, including, without limitation, all rights to participate in the operation or management of such Person and all rights to such Person’s properties, assets, interests and distributions under the related organizational documents in respect of such Person. “Capital Stock” also includes (i) all accounts receivable arising out of the related organizational documents of such Person; (ii) all general

intangibles arising out of the related organizational documents of such Person; and (iii) to the extent not otherwise included, all proceeds of any and all of the foregoing (including within proceeds, whether or not otherwise included therein, any and all contractual rights under any revenue sharing or similar agreement to receive all or any portion of the revenues or profits of such Person).

“Change in Control” shall mean:

(a) any transaction or event as a result of which FEAC or one of its wholly-owned Subsidiaries ceases to directly own [\*\*\*] of the Capital Stock of Seller;

(b) any transaction or event as a result of which Seller ceases to own [\*\*\*] of the Capital Stock of the REO Subsidiary (other than as expressly contemplated in this Agreement); or

(c) the sale, transfer, or other disposition of all or substantially all of Seller’s assets (excluding any such action taken in connection with any securitization transaction).

“Closing Protection Letter” shall mean, with respect to any Wet-Ink Mortgage Loan, the related closing protection letter in form and substance as mutually agreed to between Agent and Seller.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Collection Account” shall mean the “Collection Account” as defined in the Collection Account Control Agreement.

“Collection Account Control Agreement” shall mean the agreement among Seller, Agent and Bank and acknowledged by Seller, which shall provide for Agent for the benefit of Buyers control as of the date of execution and shall be in form and substance acceptable to Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Collection Period” shall mean the period commencing on the tenth (10th) day of the month up to but not including the tenth (10th) day of the following month.

“Confidential Information” shall have the meaning set forth in Section 31(b) hereof.

“Confidential Terms” shall have the meaning set forth in Section 31(a) hereof.

“Confirmation” shall mean a written confirmation from Agent for the benefit of Buyers to Seller Parties in the form of Exhibit A attached hereto.

“Contributed REO Property” shall mean REO Property, including the related Asset File, (i) 100% of which is owned by the REO Subsidiary as of the date hereof, (ii) resulting from a HECM Buyout, Assignable Buyout or Non-Assignable Buyout, or (iii) following foreclosure upon or other conversion of a Purchased Asset that is a Mortgage Loan, 100% of which is owned by the REO Subsidiary.

“Conversion Date” shall mean the date upon which a Mortgage Loan is converted to a Contributed REO Property and acquired by the REO Subsidiary pursuant to Section 8(c) hereof.

“Costs” shall have the meaning set forth in Section 16(a) hereof.

“Custodial Agreement” shall mean that certain Amended and Restated Custodial and Disbursement Agreement, dated as of June 28, 2021, among Seller Parties, Agent, Disbursement Agent and Custodian, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Custodian” shall mean Deutsche Bank National Trust Company and any successor thereto under the Custodial Agreement.

“Data Sharing Agreement” shall mean, if applicable, each data sharing agreement entered into among Agent, Seller and a third party diligence provider, in each case in form and substance acceptable to Agent in its discretion, as each may be amended, restated, supplemented or otherwise modified from time to time.

“Deed” shall mean the deed issued in connection with a foreclosure sale of a Mortgaged Property or in connection with receiving a deed in lieu of foreclosure evidencing title to the related REO Property.

“Default” shall mean an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

“Defaulting Party” shall have the meaning set forth in Section 30(b) hereof.

“Delaware LLC Act” shall mean Chapter 18 of the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101 et seq., as amended.

“Delinquent Home Safe Loan Purchased Assets” shall mean any Purchased Assets which are Delinquent Home Safe Loans.

“Delinquent Home Safe Loan Tranche” shall mean the Purchase Price of this facility for which Delinquent Home Safe Loan Purchased Assets are subject to Transactions hereunder.

“Delinquent Home Safe Loans” shall mean a Delinquent (Mortality) Home Safe Loan or a Delinquent (Non-Mortality) Home Safe Loan.

“Delinquent (Mortality) Home Safe Loan” shall mean a Home Safe Loan that is delinquent as a result of the death of the last living Mortgagor thereunder.

“Delinquent (Non-Mortality) Home Safe Loan” shall mean a Home Safe Loan which is more than [\*\*\*] delinquent.

“Disbursement Account” shall mean the account established at the Disbursement Agent pursuant to the terms and conditions of the Custodial Agreement.

“Disbursement Agent” shall mean Deutsche Bank National Trust Company acting in the capacity of disbursement agent and any successor thereto under the Custodial Agreement.

“Disposition Proceeds” shall have the meaning set forth in Section 5(c) hereof.

“Division/Series Transaction” shall mean, with respect to any Person that is a limited liability company organized under the laws of the State of Delaware, that any such Person (a) divides into two (2) or more Persons (whether or not the original Person or Subsidiary thereof survives such division) or (b) creates, or reorganizes into, one (1) or more series, in each case, as contemplated under the laws of the State of Delaware, including without limitation Section 18-217 of the Delaware LLC Act.

“Dollars” and “\$” shall mean lawful money of the United States of America.

“Due Diligence Documents” shall have the meaning set forth in Section 19 hereof.

“Due Diligence Review” shall mean the performance by Agent for the benefit of Buyers or its designee of any or all of the reviews permitted under Section 19 hereof with respect to any or all of the Eligible Mortgage Loans, Purchased Assets or Contributed REO Properties and/or the Seller, the REO Subsidiary or Servicer, as desired by Agent from time to time.

“Electronic Tracking Agreement” shall mean an Electronic Tracking Agreement that is entered into among Agent, Seller, MERS and MERSCORP Holdings, Inc., to the extent applicable as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Eligible Assets” shall mean, collectively, the Eligible Mortgage Loans, the Eligible REO Property and the Eligible REO Subsidiary Interests.

“Eligible Mortgage Loan” shall mean a Mortgage Loan which is a (x) HECM Loan or a Home Safe Loan and which complies with the representations and warranties set forth on Schedule 1-A hereto with respect thereto or (y) Pooled Loan and which complies with the representations and warranties set forth on Schedule 1-B hereto with respect thereto.

“Eligible REO Property” shall mean any Contributed REO Property that satisfies the applicable representations and warranties set forth on Schedule 1-C hereto with respect thereto.

“Eligible REO Subsidiary Interests” shall mean any REO Subsidiary Interest that satisfies the applicable representations and warranties set forth on Schedule 1-D hereto with respect thereto.

“Environmental Issue” shall mean any material environmental issue with respect to any Contributed REO Property, as determined by the Agent in its good faith discretion, including without limitation, the violation of any applicable federal, state, foreign or local statute, law, rule, regulation, ordinance, code, guideline, written policy and rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, employee health and safety or hazardous substances, materials or other pollutants, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource

Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 3803 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. § 11001 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq. and the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; and any state and local or foreign analogues, counterparts or equivalents, in each case as amended from time to time.

“EO13224” shall mean Executive Order 13224 issued on September 24, 2001.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and any successor thereto, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” shall mean any Person which, together with Seller is treated, as a single employer under Section 414(b) or (c) of the Code or solely for purposes of Section 302 of ERISA and Section 412 of the Code is treated as a single employer described in Section 414 of the Code.

“Escrow Instruction Letter” shall mean the Escrow Instruction Letter from Agent and Seller to the Settlement Agent, in the form of Exhibit H hereto (or in such other form as may be agreed upon in writing from time to time by Agent and Seller), as the same may be amended, restated, modified, supplemented and in effect from time to time.

“Event of Default” shall have the meaning set forth in Section 14 hereof.

“Event of ERISA Termination” shall mean (i) with respect to any Plan, a Reportable Event, as to which the PBGC has not by regulation waived the reporting of the occurrence of such event, (ii) the withdrawal of the Seller or any ERISA Affiliate thereof from a Plan during a plan year in which it is a substantial employer, as defined in Section 4001(a)(2) of ERISA, (iii) the failure by of the Seller or any ERISA Affiliate thereof to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA with respect to any Plan, including, without limitation, the failure to make on or before its due date a required installment under Section 430(j) of the Code or Section 303(j) of ERISA, (iv) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by the Seller or any ERISA Affiliate thereof to terminate any Plan, (v) the failure to meet the requirements of Section 436 of the Code resulting in the loss of qualified status under Section 401(a)(29) of the Code, (vi) the institution by the PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, (vii) the receipt by the Seller or any ERISA Affiliate thereof of a notice from a Multiemployer Plan that action of the type described in the previous clause (vi) has been taken by the PBGC with respect to such Multiemployer Plan, or (viii) any event or circumstance exists which may reasonably be expected to constitute grounds for Seller or any ERISA Affiliate thereof to incur liability under Title IV of ERISA or under Sections 412(b) or 430(k) of the Code with respect to any Plan.

“Excluded Taxes” shall have the meaning set forth in Section 7(e) hereof.

“Facility Documents” shall mean this Agreement, the Pricing Side Letter, the Custodial Agreement, each Data Sharing Agreement, if any, each Escrow Instruction Letter, if any, a Servicer Notice, if any, the Joint Account Control Agreement, the Joint Securities Account Control Agreement, the Intercreditor Agreement, the Powers of Attorney, the Electronic Tracking Agreement, the REO Subsidiary Agreement, the Collection Account Control Agreement, and any and all other documents and agreements executed and delivered by Seller or the REO Subsidiary in connection with this Agreement or any Transaction hereunder, as each may be amended, restated, supplemented or otherwise modified from time to time.

“Facility Fee” shall have the meaning set forth in the Pricing Side Letter.

“FATCA” shall mean Sections 1471 through 1474 of the Code, as of the date hereof (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“FDIA” shall mean the Federal Deposit Insurance Act, as amended.

“FDICIA” shall mean the Federal Deposit Insurance Corporation Improvement Act of 1991, as amended.

“FEAC” shall mean Finance of America Equity Capital LLC.

“FHA” shall mean the Federal Housing Administration, an agency within HUD, or any successor thereto, and including the Federal Housing Commissioner and the Secretary of HUD where appropriate under the FHA Regulations.

“FHA Loan” shall mean a Mortgage Loan which is the subject of an FHA Mortgage Insurance Contract.

“FHA Mortgage Insurance” shall mean, mortgage insurance authorized under the National Housing Act, as amended from time to time, and provided by the FHA.

“FHA Mortgage Insurance Contract” shall mean the contractual obligation of the FHA respecting the insurance of a Mortgage Loan.

“FHA Regulations” shall mean regulations promulgated by HUD under the Federal Housing Administration Act, codified in 24 Code of Federal Regulations, and other HUD issuances relating to FHA Loans, including the related handbooks, circulars, notices and mortgagee letters.

“Fidelity Insurance” shall mean insurance coverage with respect to employee errors, omissions, dishonesty, forgery, theft, disappearance and destruction, robbery and safe burglary, property (other than money and securities) and computer fraud acceptable to Agent and Ginnie Mae.

“Financial Statements” shall mean the consolidated and consolidating financial statements of Seller prepared in accordance with GAAP for the year or other period then ended. Such financial statements will be audited, in the case of annual statements, by BDO USA, LLP or such other nationally recognized independent certified public accountants approved by Agent (which approval shall not be unreasonably withheld).

“GAAP” shall mean generally accepted accounting principles in the United States of America, applied on a consistent basis and applied to both classification of items and amounts, and shall include, without limitation, the official interpretations thereof by the Financial Accounting Standards Board, its predecessors and successors.

“Ginnie Mae” shall mean the Government National Mortgage Association and any successor thereto.

“Ginnie Mae Guide” shall mean the Ginnie Mae Mortgage-Backed Securities Guide, Handbook 5500.3, Rev. 1, as amended from time to time, and any related announcements, directives and correspondence issued by Ginnie Mae.

“Ginnie Mae HECM Repurchase Trigger” shall mean the lesser of (a) 98% of the Maximum Claim Amount or (b) such lesser percentage of the Maximum Claim Amount prescribed by Ginnie Mae.

“Ginnie Mae Program” shall mean the specific mortgage backed securities swap program under the Ginnie Mae Guide or as otherwise approved by the Agency pursuant to which the Ginnie Mae Security for a given Transaction is to be issued.

“Ginnie Mae Security” shall mean a mortgage-backed security guaranteed by Ginnie Mae pursuant to the Ginnie Mae Guide.

“GLB Act” shall mean the Gramm-Leach-Bliley Act, as amended.

“Governmental Authority” shall mean any nation or government, any state, county, municipality or other political subdivision thereof or any governmental body, agency, authority, department or commission (including, without limitation, any taxing authority) or any instrumentality or officer of any of the foregoing (including, without limitation, any court or tribunal) exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation, partnership or other entity directly or indirectly owned by or controlled by the foregoing.

“Guarantee” shall mean, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The terms “Guarantee” and “Guaranteed” used as verbs shall have correlative meanings.

“HECM Buyout” shall mean a HECM Loan that is repurchased from a Ginnie Mae securitization as a result of the HECM Loan Principal Balance equal or exceeding the Ginnie Mae HECM Repurchase Trigger.

“HECM Loan” shall mean a home equity conversion Mortgage Loan which is secured by a first lien and is insured by FHA.

“HECM Loan Principal Balance” shall mean the principal balance of a HECM Loan (including without limitation all Scheduled HECM Payments and/or Unscheduled HECM Payments, accrued interest and MIP Payments and other amounts capitalized into the principal balance) reduced by all amounts received or collected in respect of principal on such HECM Loan.

“HECM Loan Purchased Assets” shall mean any Purchased Assets which are Pool Eligible HECM Loans.

“HECM Loan Tranche” shall mean the Purchase Price of this facility for which HECM Loan Purchased Assets are subject to Transactions hereunder.

“Home Safe Loans” shall mean proprietary reverse Mortgage Loans originated or acquired by Seller in accordance with the Underwriting Guidelines which are not more than [\*\*\*] delinquent and are not HECM Loans.

“Home Safe Loan Purchased Assets” shall mean any Purchased Assets which are Home Safe Loans.

“Home Safe Loan Tranche” shall mean the Purchase Price of this facility for which Home Safe Loan Purchased Assets are subject to Transactions hereunder.

“Home Safe Percentage” shall mean, with respect to any Home Safe Loan, [\*\*\*].

“Home Safe Select LOC Loan” shall have the meaning set forth in the Pricing Side Letter.

“HUD” shall mean the U.S. Department of Housing and Urban Development and any successor thereto.

“Income” shall mean, with respect to any Purchased Asset or Contributed REO Property, without duplication, all principal and income or dividends or distributions received with respect to such Purchased Asset or Contributed REO Property including any Liquidation Proceeds, insurance proceeds, interest or other distributions payable thereon or any fees or payments of any kind received, including FHA insurance payments (including debenture interest), any fees and expenses expressly permitted to be retained by Servicer pursuant to the Servicing Agreement in respect of the Purchased Assets, Mortgage Loans or Contributed REO Properties.

“Indebtedness” shall mean, with respect to any Person: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within [\*\*\*] of the date the respective goods are delivered or the respective services are rendered; (c) Indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person; (d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person; (e) Capital Lease Obligations of such Person; (f) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements; (g) Indebtedness of others Guaranteed by such Person; (h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person; and (i) Indebtedness of general partnerships of which such Person is a general partner.

“Indemnified Party” shall have the meaning set forth in Section 16(a) hereof.

“Independent Member” shall mean [\*\*\*], the independent member appointed in accordance with the REO Subsidiary Agreement.

“Insolvency Event” shall mean, for any Person:

(a) that such Person or any Affiliate shall discontinue or abandon operation of its business;

(b) that such Person or any Affiliate shall fail generally to, or admit in writing its inability to, pay its debts as they become due;

(c) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of such Person or any Affiliate in an involuntary case under any applicable bankruptcy, insolvency, liquidation, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person or any Affiliate, or for any substantial part of its property, or for the winding-up or liquidation of its affairs, and has not been dismissed within [\*\*\*];

(d) the commencement by such Person or any Affiliate of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or such Person’s or any Affiliate’s consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person, or for any substantial part of its property, or any general assignment for the benefit of creditors;

(e) that such Person or any Affiliate shall become insolvent; or

(f) if such Person or any Affiliate is a corporation, such Person or any Affiliate, or any of their Subsidiaries, shall take any corporate action in furtherance of, or the action of which would result in any of the actions set forth in the preceding clauses (a), (b), (c), (d) or (e).

“Intercreditor Agreement” shall mean that certain Intercreditor Agreement, dated as of October 13, 2013, among Seller, UBS Real Estate Securities Inc. and Texas Capital Bank, National Association, as joined by Agent as agent for Buyers, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Investment Company Act” shall mean the Investment Company Act of 1940, as amended from time to time.

“IRS” shall mean the U.S. Internal Revenue Service.

“Joinder Agreement” shall mean, a joinder agreement in substantially the form of Exhibit M hereto entered into by Seller Parties, Agent, Buyers and one (1) or more additional buyers, pursuant to which such entities are joined as Buyers hereunder and under the other Facility Documents.

“Joint Account Control Agreement” shall mean that certain Joint Account Control Agreement, dated as of October 13, 2013, among Deutsche Bank National Trust Company, as depository bank and paying agent, Seller, UBS Real Estate Securities Inc., and Texas Capital Bank, National Association, as joined by Agent as agent for Buyers, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Joint Securities Account Control Agreement” shall mean that certain Joint Securities Account Control Agreement, dated as of October 13, 2013, among Deutsche Bank National Trust Company, as securities intermediary, Seller, UBS Real Estate Securities Inc., and Texas Capital Bank, National Association, as joined by Agent as agent for Buyers, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“LIBOR Rate” shall mean, for any day of determination, the rate of interest (calculated on a per annum basis) appearing equal to the [\*\*\*] London Inter-Bank Offered Rate (or any successor institution or replacement institution used to administer the LIBOR Rate) for Dollar deposits as reported on the Official ICE LIBOR Fixings page by Bloomberg at approximately [\*\*\*] (London time) on the related day or if such day is not a Business Day, the prior Business Day. In the event that such rate is not available at such time for any reason on any Business Day, then the LIBOR Rate for the relevant Business Day (and each subsequent day prior to the next succeeding Business Day) shall be the rate at which [\*\*\*], Dollar deposits are offered by the principal London office of Agent or its Affiliates in immediately available funds in the London interbank market, selected by the Agent in its sole discretion, at approximately [\*\*\*] (London time) on that Business Day.

“Lien” shall mean any lien, claim, charge, restriction, pledge, security interest, mortgage, deed of trust or other encumbrance.

“Liquidation Proceeds” shall mean, with respect to a Mortgage Loan or Contributed REO Property, all cash amounts received by the Servicer in connection with: (i) the liquidation of the related Mortgaged Property, Contributed REO Property or other collateral constituting security for such Mortgage Loan, through trustee’s sale, foreclosure sale, disposition or otherwise, exclusive of any portion thereof required to be released to the related Mortgagor, (ii) the realization upon any deficiency judgment obtained against a Mortgagor, or (iii) the related HUD/FHA insurance coverage.

“Margin Call” shall have the meaning provided in Section 4(a) hereof.

“Margin Deficit” shall mean, as of any date of determination, with respect to a Purchased Asset subject to a Transaction as of such date, if the Asset Value of such Purchased Asset is less than the Repurchase Price, excluding accrued Price Differential not yet due, for such Purchased Asset.

“Margin Payment” shall have the meaning provided in Section 4(a) hereof.

“Market Value” shall mean, as of any date of determination, for each Mortgage Loan or Contributed REO Property, the market value determined by Agent in its good faith discretion (which may be performed on a daily basis, at the Agent’s discretion), which determination may take into account such factors as Agent deems appropriate.

“Material Adverse Effect” shall mean a material adverse effect on (a) the Property, business, operations, or financial condition of the Seller Parties (taken as a whole) or any Affiliate, (b) the ability of the Seller Parties (taken as a whole) or any Affiliate to perform its obligations under any of the Facility Documents to which it is a party, (c) the validity or enforceability of any of the Facility Documents, (d) the rights and remedies of Agent and/or Buyers or any Affiliate under any of the Facility Documents, or (e) the timely payment of any amounts payable under the Facility Documents; in each case as determined by Agent in its sole discretion.

“Maximum Aggregate Purchase Price” shall have the meaning set forth in the Pricing Side Letter.

“Maximum Claim Amount” shall mean the amount of insurance coverage for a HECM Loan provided by the related HUD/FHA insurance thereon.

“Maximum PIK Amount” shall mean the amount above which, when added to the outstanding Purchase Price for the related Purchased Asset, would cause a Margin Deficit to occur.

“MERS” shall mean Mortgage Electronic Registration Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor thereto.

“MERS Mortgage Loan” shall mean any Mortgage Loan registered with MERS on the MERS System.

“MERS Notice” shall mean a written notice delivered by Agent to Seller notifying Seller that Agent for the benefit of Buyers is registered with MERS and requesting that Seller promptly execute and deliver an Electronic Tracking Agreement to Agent in form and substance reasonably acceptable to Agent and MERS.

“MERS System” shall mean the system of recording transfers of mortgages electronically maintained by MERS.

“Minimum Release Amount” shall mean an amount equal to, with respect to a:

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- (i) Mortgage Loan, the sum of (x) such Mortgage Loan's Repurchase Price and (y) any other amounts due and payable under this Agreement;
  - (ii) Contributed REO Property, the sum of (x) such Contributed REO Property's Repurchase Price and (y) any other amounts due and payable under this Agreement.

"MIP Payment" shall mean, with respect to a Mortgage Loan, all mortgage insurance premiums payable to either HUD or a private mortgage insurer, as set forth in the related Asset File.

"Monthly Servicing Report" shall have the meaning set forth in Section 13(d)(vi) hereof.

"Mortgage" shall mean each mortgage, or deed of trust, security agreement and fixture filing, deed to secure debt, or similar instrument creating and evidencing a first Lien on real property and other property and rights incidental thereto.

"Mortgage Loan" shall mean any first lien, one- to four-family residential reverse mortgage loan evidenced by and including a Mortgage Note and a Mortgage, which in no event shall include any Mortgage Loan which is subject to Section 226.32 of Regulation Z or any similar state or local law (relating to high interest rate credit/lending transactions).

"Mortgage Loan Documents" shall mean, with respect to a Mortgage Loan, each of the documents comprising the Asset File for such Mortgage Loan, as more fully set forth in the Custodial Agreement.

"Mortgage Note" shall mean the promissory note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage.

"Mortgaged Property" shall mean the real property securing repayment of the debt evidenced by a Mortgage Note.

"Mortgagor" shall mean the obligor or obligors on a Mortgage Note, including any Person who has assumed or guaranteed the obligations of the obligor thereunder.

"Multiemployer Plan" shall mean, with respect to any Person, a "multiemployer plan" as defined in Section 3(37) of ERISA which is or was at any time during the current year or the immediately preceding [\*\*\*] contributed to (or required to be contributed to) by such Person or any ERISA Affiliate thereof on behalf of its employees and which is covered by Title IV of ERISA.

"Nondefaulting Party" shall have the meaning set forth in Section 30(b) hereof.

"Non-Assignable Buyout" shall mean (i) a HECM Loan subject to a HECM Buyout which is not assignable to HUD and (ii) an Assignable Buyout that becomes subject to a Transaction for a period of [\*\*\*] (whether or not consecutive). For the sake of clarity, once a HECM Loan satisfies the criteria set forth in clause (ii) of this definition such HECM Loan shall thereafter be considered a Non-Assignable Buyout (and not an Assignable Buyout) for all purposes under this Agreement and the other Facility Documents.

“Non-Assignable Buyout Purchased Assets” shall mean any Purchased Assets which are Non-Assignable Buyouts.

“Non-Assignable Buyout Tranche” shall mean the Purchase Price of this facility for which Non-Assignable Buyout Purchased Assets are subject to Transactions hereunder.

“Non-Excluded Taxes” shall have the meaning set forth in Section 7(a) hereof.

“Non-Exempt Buyer” shall have the meaning set forth in Section 7(e) hereof.

“Obligations” shall mean (a) any amounts owed by Seller to Agent and/or Buyers in connection with any or all Transactions hereunder, together with interest thereon (including interest which would be payable as post-petition interest in connection with any bankruptcy or similar proceeding) and all other fees or expenses which are payable hereunder or under any of the Facility Documents; and (b) all other obligations or amounts owed by Seller to Agent and/or Buyers or an Affiliate of Agent and/or Buyers under any other contract or agreement, in each case, whether such amounts or obligations owed are direct or indirect, absolute or contingent, matured or unmatured.

“OFAC” shall mean the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“OFAC Regulations” shall mean regulations promulgated by OFAC.

“Optional Repurchase” shall have the meaning set forth in Section 3(d) hereof.

“Other Taxes” shall have the meaning set forth in Section 7(b) hereof.

“Payment Account” shall mean the account designated as Account No. [\*\*\*], and entitled “Nomura/FAR”, established at Payment Agent for the benefit of Agent.

“Payment Agent” shall mean U.S. Bank National Association, in its capacity as payment agent with respect to the Payment Account.

“Payment Date” shall mean, with respect to each Collection Period (i) the twenty-fifth (25th) calendar day of the month following the commencement of such Collection Period, or the next succeeding Business Day, if such calendar day shall not be a Business Day, and (ii) the Repurchase Date.

“PBGC” shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Person” shall mean any individual, corporation, company, voluntary association, partnership, joint venture, limited liability company, trust, unincorporated association or government (or any agency, instrumentality or political subdivision thereof) including, but not limited to, Seller.

“PIK Price Differential” shall have the meaning set forth in Section 5(a) hereof.

“Plan” shall mean, with respect to any of the Seller Parties, any employee benefit or similar plan that is or was at any time during the current year or immediately preceding [\*\*\*] established, maintained or contributed to by any of the Seller Parties or any ERISA Affiliate thereof and that is covered by Title IV of ERISA, other than a Multiemployer Plan.

“Pooled Loan” shall mean any Mortgage Loan that is subject to a Transaction hereunder and is part of a pool of Mortgage Loans certified by the Custodian to the Agency for the purpose of being swapped for a Ginnie Mae Security backed by such pool, in each case, in accordance with the terms of guidelines issued by the Agency.

“Pool Eligible HECM Loan” shall mean a HECM Loan (other than a HECM Buyout) that is otherwise an Agency Eligible Mortgage Loan.

“Pooling Documents” shall mean each of the original schedules, forms and other documents (other than the Mortgage Loan Documents) required to be delivered by or on behalf of Seller with respect to a Pooled Loan to the Agency and/or the Agent, including, without limitation, a HUD 11711-A Form submitted by Seller.

“Post-Default Rate” shall have the meaning set forth in the Pricing Side Letter.

“Power of Attorney” shall mean the power of attorney in the form of Exhibit J hereto, to be delivered by Seller and the REO Subsidiary, as applicable.

“Price Differential” shall mean, with respect to any Purchased Asset or Contributed REO Property, as applicable, as of any date, the aggregate amount obtained by daily application of the Pricing Rate (or, during the continuation of an Event of Default, by daily application of the Post-Default Rate) for the related Transaction to the Repurchase Price for such Purchased Asset or Contributed REO Property, as applicable, on a 360-day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Purchased Asset or Contributed REO Property, as applicable, and ending on (but excluding) the Repurchase Date (reduced by any amount of such Price Differential previously paid by Seller to Agent for the benefit of Buyers with respect to such Purchased Asset or Contributed REO Property, as applicable).

“Pricing Rate” shall have the meaning set forth in the Pricing Side Letter.

“Pricing Side Letter” shall mean that certain Amended and Restated Pricing Side Letter, dated as of June 28, 2021, among Agent, Buyers and Seller Parties, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Prohibited Person” shall have the meaning set forth in Section 12(cc) hereof.

“Property” shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

“Purchase Date” shall mean, (i) for the initial Transaction, the first date on or following the A&R Effective Date on which Purchased Assets are transferred by Seller to Agent for the benefit of the Buyers, and (ii) for each subsequent Transaction, the date of each subsequent transfer of Purchased Assets by Seller to Agent for the benefit of the Buyers and the purchase or acquisition of Contributed REO Property by the REO Subsidiary.

“Purchase Price” shall mean the Asset Value on the Purchase Date.

“Purchase Price Percentage” shall have the meaning set forth in the Pricing Side Letter.

“Purchased Assets” shall mean the collective reference to the Mortgage Loans and the REO Subsidiary Interests (representing the beneficial interest in the Contributed REO Properties held by the REO Subsidiary) transferred by the Seller to Agent for the benefit of the Buyers in a Transaction hereunder, listed on the related Asset Schedule attached to the related Transaction Request, which related Asset Files the Custodian has been instructed to hold pursuant to the Custodial Agreement.

“Quality Control Report” shall mean a report in the form of Exhibit D hereto.

“Records” shall mean all instruments, agreements and other books, records, and reports and data generated by other media for the storage of information maintained by any Seller Party or any other Person or entity with respect to a Mortgage Loan or Contributed REO Property. For Mortgage Loans, Records shall include the Mortgage Notes, any Mortgages, the Asset Files, the credit files related to the Mortgage Loan and any other instruments necessary to document or service a Mortgage Loan. For Contributed REO Properties, Records shall include the Asset Files and any other instruments necessary to document or manage a Contributed REO Property.

“Register” shall have the meaning set forth in Section 21(b) hereof.

“Regulations T, U or X” shall mean Regulations T, U or X of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

“Regulation Z” shall mean Regulation Z of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

“Remittance Date” shall mean, with respect to each Collection Period (i) the tenth (10th) calendar day of the month following the commencement of such Collection Period, or the next succeeding Business Day, if such calendar day shall not be a Business Day, and (ii) the Repurchase Date.

“REO Property” shall mean real property acquired (i) through foreclosure of a Mortgage Loan or (ii) by deed in lieu of such foreclosure.

“REO Subsidiary” shall mean FAR REO Sub I LLC.

“REO Subsidiary Agreement” shall mean, with respect to the REO Subsidiary, that certain Limited Liability Company Agreement, dated as of June 28, 2021, entered into by Seller, as initial member and manager, and the Independent Manager, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“REO Subsidiary Certificate” shall mean the certificate evidencing 100% of the REO Subsidiary Interests in the REO Subsidiary.

“REO Subsidiary Interests” shall mean any and all of the Capital Stock of the REO Subsidiary.

“REO Tranche” shall mean the Purchase Price of this facility for which Contributed REO Properties are subject to Transactions hereunder.

“Reportable Event” shall mean any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty (30) day notice period is waived under subsections .21, .22, .24, .26, .27 or .28 of PBGC Reg. § 4043.

“Repurchase Assets” shall have the meaning provided in Section 8(a) hereof.

“Repurchase Date” shall mean, with respect to any Purchased Asset (and, in the case of an REO Subsidiary Interest, a related Contributed REO Property), the earlier of (i) the Termination Date and (ii) the date on which Seller is to repurchase the Purchased Assets or cause the release of Contributed REO Properties subject to a Transaction from Agent, on behalf of the Buyers, as specified in the related Confirmation or if not so specified on a date requested pursuant to Section 3(e) or 4 hereof or on the Termination Date, including any date determined by application of the provisions of Sections 3, 4 or 14 hereof.

“Repurchase Price” shall mean, with respect to any Purchased Asset (and, in the case of an REO Subsidiary Interest, a related Contributed REO Property) as of any date of determination, an amount equal to the applicable Purchase Price minus (A) (i) any Income which has been applied to the Repurchase Price of such Purchased Asset (and, in the case of an REO Subsidiary Interest, allocated to a related Contributed REO Property held by the REO Subsidiary as of the applicable date of determination) by Agent pursuant to this Agreement and (ii) any payments made by Seller in reduction of the outstanding Repurchase Price in each case before or as of such determination date with respect to such Purchased Asset (and, in the case of an REO Subsidiary Interest, allocated to the related Contributed REO Property), *plus* (B) any accrued and unpaid Price Differential, including, without duplication, any PIK Price Differential.

“Repurchase Price Adjustment Amount” shall mean, for each Purchased Asset that is a Home Safe Loan or Seasoned Non-Assignable Buyout, on any related Repurchase Price Adjustment Date, an amount equal to the positive difference (if any) between (i) the related Repurchase Price (excluding any amounts calculated pursuant to clause (B) of the definition thereof) for such Purchased Asset as of such Repurchase Price Adjustment Date minus (ii) the Asset Value of such Purchased Asset calculated as of such Repurchase Price Adjustment Date.

“Repurchase Price Adjustment Date” shall mean, with respect to any Purchased Asset that is (i) a Home Safe Loan, each date (if any) on which a reduced Purchase Price Percentage and/or Home Safe Percentage is applicable to such Purchased Asset pursuant to the Pricing Side Letter or this Agreement, as applicable, as a result of an increase to the number of days that such Purchased Asset is subject to a Transaction (whether or not consecutive) and (ii) a Seasoned Non-Assignable Buyout, the date on which such Purchased Asset becomes a Seasoned Non-Assignable Buyout.

“Reputational Risk Issue” shall mean the Agent’s determination, in its good faith judgment, that any Mortgage Loan or REO Property is subject to any fact, issue or circumstance, the existence of which may result in an unacceptable level of reputational risk to Agent.

“Requirement of Law” shall mean, as to any Person, any law, treaty, rule, regulation, procedure or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” shall mean, as to (a) any Person, the chief executive officer or, with respect to financial matters, the chief financial officer of such Person, and (b) any Seller Party, any manager or director or managing member.

“Scheduled HECM Payments” shall mean, on any date, the term or tenure monthly disbursements made to the borrower of a HECM Loan.

“Seasoned Non-Assignable Buyout” shall mean a Purchased Asset that is a Non-Assignable Buyout pursuant to clause (ii) of the definition of “Non-Assignable Buyout”.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“Section 4402” shall mean Section 4402 of Title 12 of the United States Code.

“Section 7 Certificate” shall have the meaning set forth in Section 7(e)(ii) hereof.

“Securities Account” shall mean the “Securities Account” as defined in the Joint Securities Account Control Agreement.

“Security Issuance Failure” shall mean the failure of a pool of Pooled Loans to back the issuance of a Ginnie Mae Security.

“Seller” shall mean Finance of America Reverse LLC.

“Seller Party” and “Seller Parties” shall mean, individually or collectively, as the context requires, the Seller and the REO Subsidiary.

“Servicer” shall mean (i) Celink or (ii) any other servicer approved by Agent in its sole discretion to service Mortgage Loans or manage Contributed REO Properties.

“Servicer Accounts” shall mean the segregated accounts established by and in the name of a Servicer at a depository institution approved by Agent into which all Income received on account of the Purchased Assets serviced or managed by such Servicer shall be deposited.

“Servicer Notice” shall mean (i) the notice acknowledged by each Unaffiliated Servicer substantially in the form of Exhibit I-1 hereto and (ii) the notice and pledge among each Affiliated Servicer, Seller and Agent in the form of Exhibit I-3 hereto.

“Servicer Termination Event” shall mean, with respect to Servicer, (i) an Event of Default hereunder, (ii) Servicer shall become the subject of a bankruptcy proceeding or shall become insolvent, (iii) Servicer ceases to be an approved servicer for Ginnie Mae, or (iv) the failure of Servicer to perform its obligations under any of the Facility Documents to which it is a party or the Servicing Agreement, including, without limitation, the failure of Servicer to (A) deposit funds in accordance with Section 5(b) hereof, or (B) deliver reports when required.

“Servicing Agreement” shall mean (i) that certain Amended and Restated Reverse Mortgage Servicing Agreement, dated as of January 5, 2018, between Compu-Link Corporation d/b/a Celink and Seller, and (ii) any servicing agreement entered into between Seller and a Servicer as each may be amended, restated, supplemented or otherwise modified from time to time of which Agent shall be an intended third party beneficiary.

“Servicing Fees” shall mean, with respect to a HECM Loan or a Home Safe Loan, the fees payable to the Servicer and added to the HECM Loan Principal Balance of such HECM Loan or such Home Safe Loan, in the amount reported to the Agent.

“Servicing Rights” shall mean the rights of any Person to administer, manage, service or subservice, the Purchased Assets or to possess related Records.

“Settlement Agent” shall mean, with respect to any Transaction the subject of which is a Wet-Ink Mortgage Loan, an entity approved by Agent, in its sole reasonable discretion, which may be a title company, escrow company or attorney in accordance with local law and practice in the jurisdiction where the related Wet-Ink Mortgage Loan is being originated, to which the proceeds of such Transaction are to be wired and with respect to such proceeds the Settlement Agent has agreed to comply with the instructions set forth in the Escrow Instruction Letter.

“Single-Employer Plan” shall mean a single-employer plan as defined in Section 4001(a)(15) of ERISA which is subject to the provisions of Title IV of ERISA.

“SIPA” shall mean the Securities Investor Protection Act of 1970, as amended.

“Special Purpose Entity” shall mean a Person, other than an individual, which is formed or organized solely for the purpose of holding, directly or indirectly, an ownership interest in one or more Mortgage Loans or REO Properties, does not engage in any business unrelated to the Mortgage Loans or REO Properties, does not have any assets other than as otherwise expressly permitted by this Agreement or the other Facility Documents, and is subject to all of the limitations on the powers set forth in the organizational documentation of such Person as in effect on the date hereof, and holds itself out as a Person separate and apart from any other Person and otherwise complies with all of the covenants set forth in Section 13(bb) hereof.

“Subsidiary” shall mean, with respect to any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one (1) or more Subsidiaries of such Person or by such Person and one (1) or more Subsidiaries of such Person.

“Subsidiary Owned Assets” shall mean all property including Contributed REO Property owned by the REO Subsidiary, any proceeds thereof and any ownership interests of the REO Subsidiary in the Purchased Assets.

“Successor Rate” shall mean a rate determined by Agent in accordance with Section 3(g) hereof.

“Successor Rate Conforming Changes” shall mean, with respect to any proposed Successor Rate, any spread adjustments or other conforming changes to the timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of Agent, to reflect the adoption of such Successor Rate and to permit the administration thereof by Agent in a manner substantially consistent with market practice.

“Take-out Commitment” shall mean a commitment of a Seller Party to (a) sell one (1) or more Purchased Assets and/or Contributed REO Properties in an arm’s-length, all-cash transaction, or (b) (i) swap one (1) or more identified Mortgage Loans with a Take-out Investor that is the Agency for a Ginnie Mae Security, and (ii) sell the related Ginnie Mae Security to a Take-out Investor, and in each case, the corresponding Take-out Investor’s commitment back to Seller or REO Subsidiary to effectuate any of the foregoing, as applicable. With respect to any Take-out Commitment with the Agency, the applicable agency documents list the Agent or such other Person approved in writing by Agent.

“Take-out Investor” shall mean any Person (other than an Affiliate of a Seller Party) that has entered into a Take-out Commitment; provided that to the extent that the Asset Files for the Purchased Assets or Contributed REO Properties are sent pursuant to a Bailee Letter with a third party bailee that is not a nationally known bank to a Take-out Investor prior to purchase, such Take-out Investor must be approved by Agent in its sole reasonable discretion.

“Tax” and “Taxes” shall have the meaning set forth in Section 7(a) hereof.

“Termination Date” shall have the meaning set forth in the Pricing Side Letter.

“Tranche” shall mean any of (i) the Assignable Buyout Tranche, (ii) the HECM Loan Tranche, (iii) the Home Safe Loan Tranche, (iv) the Non-Assignable Buyout Tranche, (v) the Delinquent Home Safe Loan Tranche or (vi) the REO Tranche, or if the context indicates, all such tranches.

“Transaction” shall have the meaning set forth in Section 1 hereof.

“Transaction Request” shall mean a request from Seller to Agent to enter into a Transaction.

“Treasury Regulations” shall mean regulations promulgated by the U.S. Department of the Treasury.

“Trust Receipt” shall have the meaning set forth in the Custodial Agreement.

“Unaffiliated Servicer” shall mean a Servicer that is not an Affiliated Servicer.

“UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York, provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any Repurchase Assets or the continuation, renewal or enforcement thereof is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

“Underwriting Guidelines” shall mean, with respect to (a) HECM Loans, Assignable Buyouts and Non-Assignable Buyouts, the underwriting guidelines of HUD and Ginnie Mae, and (b) Home Safe Loans, the underwriting guidelines of Seller delivered to Agent and attached hereto as Exhibit B, as amended from time to time as permitted herein.

“Unrecorded REO Property” shall mean REO Property for which the Custodian has not received a copy of the Deed recorded into the name of the REO Subsidiary, and otherwise meets the criteria set forth in this Agreement.

“Unscheduled HECM Payments” shall mean, on any date, any disbursement made to a borrower of a HECM Loan under the terms of the related HECM Loan documents other than a Scheduled HECM Payment.

“Wet-Aged Report” shall have the meaning set forth in Section 3(b)(vi) hereof.

“Wet-Ink Delivery Date” shall have the meaning assigned to such term in the Pricing Side Letter.

“Wet-Ink Documents” shall mean, with respect to any Wet-Ink Mortgage Loan, the (a) Transaction Request, (b) Confirmation and (c) Asset Schedule.

“Wet-Ink Mortgage Loan” shall mean a Mortgage Loan that is a HECM Loan which Seller is selling to Agent for the benefit of Buyers simultaneously with the origination thereof and for which the related Asset File has not been received by the Custodian as of related Purchase Date. A Mortgage Loan that is a HECM Loan shall cease to be a Wet-Ink Mortgage Loan on the date on which Agent for the benefit of Buyers has received (i) an Asset Detail and Exception Report from the Custodian with respect to such Mortgage Loan confirming that the Custodian has physical possession of the related Asset File and (ii) a Trust Receipt issued by the Custodian showing no exceptions with respect to such Mortgage Loan in accordance with the Custodial Agreement.

“Wire Instructions” shall mean the related wire instructions of the third parties set forth on Exhibit L hereto.

Section 3. Initiation; Termination. It is acknowledged and agreed that, notwithstanding any other provision of this Agreement to the contrary, the facility provided under this Agreement is an uncommitted facility, and Agent on behalf of Buyers shall have no obligation to enter into any Transactions hereunder. Subject to the terms and conditions set forth herein, Agent on behalf of Buyers agrees that so long as no Event of Default shall have occurred and be continuing or result therefrom it may in its sole discretion enter into Transactions with Seller from time to time in an aggregate principal amount that will not result in the Aggregate Utilized Purchase Price for all Purchased Assets (including Contributed REO Properties) subject to then outstanding Transactions under this Agreement to exceed the Maximum Aggregate Purchase Price; provided that the Purchase Price of each Transaction shall not be less than [\*\*\*], unless otherwise agreed to by Agent in its sole discretion; provided, further, that for any [\*\*\*] period, there shall not be more than [\*\*\*] new Transactions, unless otherwise agreed to by Agent in its sole discretion. Within the foregoing limits and subject to the terms and conditions set forth herein, Seller may enter into Transactions. This Agreement is not a commitment by Agent to enter into Transactions with Seller, but rather, sets forth the procedures to be used in connection with periodic requests for Agent to enter into Transactions with Seller.

(a) Conditions Precedent to A&R Effective Date. Agent's commitment (on behalf of Buyers) to enter into continuing Transactions hereunder on or following the A&R Effective Date is subject to the satisfaction, immediately prior to or concurrently with the making of the initial Transaction on or following the A&R Effective Date, of the condition precedent that Agent on behalf of Buyers shall have received from Seller any fees and expenses payable hereunder, and all of the following documents, each of which shall be satisfactory to Agent and its counsel in form and substance:

(i) Facility Documents. The Facility Documents, duly executed and delivered by the parties thereto;

(ii) Opinions of Counsel. (A) A security interest, general corporate and enforceability opinion or opinions of outside counsel to Seller Parties (provided that the general corporate opinion may be given by in-house counsel of Seller), including an Investment Company Act opinion; and (B) a Bankruptcy Code opinion of outside counsel to Seller Parties with respect to the matters outlined in Section 32, each of which shall be in a form acceptable to Agent in its sole discretion;

(iii) Seller Party Organizational Documents. A certificate of existence of each Seller Party delivered to Agent prior to the A&R Effective Date and certified copies of the organizational documents of each Seller Party and of all corporate or other authority for each Seller Party with respect to the execution, delivery and performance of the Facility Documents and each other document to be delivered by each Seller Party from time to time in connection herewith;

(iv) Good Standing Certificates. A certified copy of a good standing certificate from the jurisdiction of organization of each Seller Party, dated as of no earlier than the date that is [\*\*\*] prior to the Purchase Date with respect to the initial Transaction on or following the A&R Effective Date;

(v) Incumbency Certificate. An incumbency certificate of the secretary of each Seller Party certifying the names, true signatures and titles of the representatives duly authorized to request transactions hereunder and to execute the Facility Documents;

(vi) Security Interest. Evidence that all other actions necessary to perfect and protect the sale, transfer, conveyance and assignment by Seller to Agent on behalf of Buyers or its designee, subject to the terms of this Agreement, of all of Seller's right, title and interest in and to the Purchased Assets together with all right, title and interest in and to the proceeds of any related Repurchase Assets and in the REO Subsidiary Interests have been taken, including without limitation, ensuring that the REO Subsidiary Interests are evidenced by certificates in registered form and that such REO Subsidiary Interests constitute and remain "securities" (as defined in Section 8-102 of the Uniform Commercial Code). Seller shall take all steps as may be necessary in connection with the indorsement, transfer of power, delivery and pledge of all Purchased Assets and Contributed REO Properties to Agent for the benefit of Buyers, and performing UCC searches and duly authorized and filing UCC financing statements on Form UCC-1 and Form UCC-3, as applicable;

(vii) Insurance. Evidence that Seller has added Agent as an additional loss payee under Seller's Fidelity Insurance;

(viii) Appointment of Independent Member. Evidence that an Independent Member has been appointed in accordance with the REO Subsidiary Agreement; and

(ix) Other Documents. Such other documents as Agent may reasonably request, in form and substance reasonably acceptable to Agent.

Upon satisfaction of the conditions set forth in this Section 3(b), Agent on behalf of Buyers may, in its sole discretion, enter into a Transaction with Seller on or following the A&R Effective Date. Agent's entering into each Transaction on behalf of Buyers (including the initial Transaction on or following the A&R Effective Date) is subject to the satisfaction of the following further conditions precedent, both immediately prior to entering into such Transaction and also after giving effect thereto to the intended use thereof:

(i) Confirmation. Agent shall have executed and delivered a Confirmation in accordance with the procedures set forth in Section 3(c);

(ii) Due Diligence Review. Without limiting the generality of Section 19 hereof, Agent shall have completed, to its satisfaction, its due diligence review of the related Purchased Assets, Seller Parties and the Servicer;

(iii) No Default. No Default or Event of Default shall have occurred and be continuing under the Facility Documents;

(iv) Representations and Warranties. Both immediately prior to the Transaction and also after giving effect thereto and to the intended use thereof, the representations and warranties made by Seller in Section 12 hereof shall be true, correct and complete on and as of such Purchase Date in all material respects with the same force and effect as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(v) Maximum Purchase Price. After giving effect to the requested Transaction, (i) the Aggregate Utilized Purchase Price subject to then outstanding Transactions under this Agreement shall not exceed the Maximum Aggregate Purchase Price and (ii) the Aggregate Utilized Purchase Price of HECM Loans subject to a forward sale confirmation shall not exceed [\*\*\*] of the Aggregate Utilized Purchase Price of all HECM Loans;

(vi) HECM Loans. Prior to giving effect to any Transaction with respect to HECM Loans, Agent shall have received (i) a joinder and amendment to the Intercreditor Agreement, (ii) a joinder and amendment to the Joint Account Control Agreement and (iii) a joinder and amendment to the Joint Securities Account Control Agreement, in each case, in form and substance reasonably acceptable to Agent, duly executed by the parties thereto.

(vii) Transaction Request. With respect to each proposed Purchased Asset which is not a Wet-Ink Mortgage Loan, on or prior to [\*\*\*] (New York City time) [\*\*\*] prior to the related Purchase Date, the Seller shall have delivered to Agent for the benefit of Buyers (a) a Transaction Request, (b) an Asset Schedule and (c) an initial Confirmation. Seller shall have delivered to Agent for the benefit of Buyers on or prior to (A) [\*\*\*] (New York City time) on [\*\*\*] to the proposed Purchase Date for Wet-Ink Mortgage Loans, a preliminary Asset Schedule (the "Preliminary Asset Schedule") and (B) [\*\*\*] (New York City time) on the proposed Purchase Date for Wet-Ink Mortgage Loans, (1) a Transaction Request, (2) a final Asset Schedule and (3) an initial related Confirmation; provided that, with respect to each Wet-Ink Mortgage Loan, by no later than the Wet-Ink Delivery Date, Seller shall cause the related Settlement Agent to deliver to the Custodian all documents in the Asset File, as more particularly set forth in the Custodial Agreement. Any Wet-Ink Mortgage Loans that are not listed on the Preliminary Asset Schedule may be purchased by Agent for the benefit of Buyers in its sole discretion;

(viii) Delivery of Asset File. With respect to each (A) proposed Purchased Asset which is not a Wet-Ink Mortgage Loan, Seller shall have delivered to the Custodian the Asset File with respect to each Mortgage Loan and Contributed REO Property that is subject to the proposed Transaction, with an electronic copy of such Asset File to Agent via email to [\*\*\*], in a format reasonably acceptable to Agent, and the Custodian shall have issued a Trust Receipt with respect to each such Mortgage Loan and Contributed REO Property to Agent all subject to and in accordance with the Custodial Agreement, and (B) Wet-Ink Mortgage Loan, the Wet-Ink Documents have been delivered to Custodian, as the case may be, in accordance with the Custodial Agreement and delivered to Agent electronic copies of the documents comprising the Asset File;

(ix) No Margin Deficit. After giving effect to the requested Transaction, no Margin Deficit shall exist;

(x) Electronic Tracking Agreement. If any of the proposed Purchased Assets are MERS Mortgage Loans, and provided that Agent for the benefit of Buyers has delivered to Seller a MERS Notice as of the related Purchase Date, an Electronic Tracking Agreement covering such proposed Purchased Assets (and any existing Purchased Assets that are MERS Mortgage Loans) shall have been entered into, duly executed and delivered by the parties thereto and shall be in full force and effect, free of any modification, breach or waiver;

(xi) Evidence of Ownership. If any proposed Purchased Asset is a Wet-Ink Mortgage Loan, Agent shall have received evidence satisfactory to it that the Seller owns the proposed Mortgage Loan simultaneously with the origination thereof;

(xii) Approval of Servicing Agreement. To the extent not previously delivered and approved, Agent shall have, in its sole discretion, approved each Servicing Agreement pursuant to which any Mortgage Loan or Contributed REO Property that is subject to the proposed Transaction is serviced;

(xiii) Servicer Notices. To the extent not previously delivered and, with respect to an (A) Unaffiliated Servicer, Seller shall have provided to Agent a Servicer Notice in the form of Exhibit I-1 hereto addressed to, agreed to and executed by Servicer, Seller and Agent, and (B) Affiliated Servicer, Seller shall have provided to Agent a Servicer Notice in the form of Exhibit I-3 hereto addressed to, agreed to and executed by Servicer, Seller and Agent;

(xiv) Other Documents. Such other documents as Agent may reasonably request, in form and substance reasonably acceptable to Agent;

(xv) Fees and Expenses. Agent and Buyers shall have received all fees and expenses, including all fees and expenses of counsel to Agent and Buyers and due diligence vendors as contemplated by Section 11, which amounts, at Agent's option, may be withheld from the proceeds remitted by Agent to Seller pursuant to any Transaction hereunder;

(xvi) Requirements of Law. Neither Agent nor any Buyer shall have determined that the introduction of or a change in any Requirement of Law or in the interpretation or administration of any Requirement of Law applicable to Agent and/or Buyers has made it unlawful, and no Governmental Authority shall have asserted that it is unlawful, for Agent or any Buyer to enter into Transactions hereunder;

(xvii) No Material Adverse Change. None of the following shall have occurred and/or be continuing:

(A) an event or events shall have occurred in the good faith determination of Agent resulting in the effective absence of a "repo market" or comparable "lending market" for financing debt obligations secured by securities or an event or events shall have occurred resulting in any Buyer not being able to finance Mortgage Loans or Contributed REO Properties through the "repo market" or "lending market" with traditional counterparties at rates which would have been reasonable prior to the occurrence of such event or events; or

(B) an event or events shall have occurred resulting in the effective absence of a "securities market" for securities backed by Mortgage Loans and Contributed REO Properties (relative to the market as of the A&R Effective Date) or an event or events shall have occurred resulting in Agent not being able to sell securities backed by Mortgage Loans and Contributed REO Properties at prices which would have been reasonable prior to such event or events; or

(C) there shall have occurred a material adverse change in the financial condition of Agent which affects (or can reasonably be expected to affect) materially and adversely the ability of Agent to fund its obligations under this Agreement;

(xviii) Delivery of Broker's Price Opinion. With respect to each Mortgaged Property related to a Non-Assignable Buyout that is subject to a proposed Transaction, Seller shall have delivered to Agent a true and complete copy of a BPO for such Mortgaged Property dated no more than [\*\*\*] prior to the requested Purchase Date;

(xix) Certification. Each Transaction Request delivered by Seller hereunder shall constitute a certification by Seller that all the conditions set forth in this Section 3(b) have been satisfied (both as of the date of such notice or request and as of Purchase Date);

(xx) Security Interest. Evidence that all other actions necessary to perfect and protect Agent's interest (for the benefit of Buyers) in the Purchased Assets and other Repurchase Assets have been taken. Seller shall take all steps as may be necessary in connection with performing UCC searches and duly authorized and filing UCC financing statements on Form UCC-1 and Form UCC-3, as applicable;

(xxi) Evidence of Acquisition. Agent shall have received evidence satisfactory to it that either (i) Seller owns the proposed Purchased Assets prior to remittance of the Purchase Price by Agent or that (ii) upon remittance of the Purchase Price to the third party that owns the proposed Purchased Assets, the full acquisition price shall have been paid to such owner and that Seller will thereupon own the proposed Purchased Assets and the REO Subsidiary will own the related Contributed REO Properties;

(xxii) Wet-Ink Mortgage Loans. With respect to any proposed Transaction involving a Wet-Ink Mortgage Loan:

(A) the Seller shall have provided evidence satisfactory to Agent that Seller has transferred (or caused to be transferred) funds to the Disbursement Agent on the related Purchase Date to be applied to the origination of such Wet-Ink Mortgage Loan, in an amount equal to the portion of the funding for the origination of such Wet-Ink Mortgage Loan that will not be funded by Agent for the benefit of Buyers pursuant to such Transaction; and

(B) the Settlement Agent has been instructed in writing by Seller to hold the related Mortgage Loan Documents as agent and bailee for Agent and to promptly forward such Mortgage Loan Documents in accordance with the provisions of the Custodial Agreement and the Escrow Instruction Letter and Seller has confirmed receipt of a Closing Protection Letter and the wire instructions for the Settlement Agent have been validated;

(xxiii) Simultaneous Funding. To the extent that the Mortgage Loans subject to the proposed Transaction will be sold by a third-party to Seller simultaneously with the funding of the Transaction on the Purchase Date, (A) such Transaction shall be approved by the Agent in its sole discretion, (B) the Agent shall receive confirmation to its reasonable satisfaction that such third party seller has received the portion of the payment not funded on such Purchase Date and (C) the Agent shall receive confirmation that the funds remitted to such third party seller, together with the funds remitted by the Agent, shall equal the full acquisition price for such Mortgage Loans; and

(xxiv) Delivery of Certificates. Seller shall deliver to the Custodian the originals of the REO Subsidiary Certificates registered in the name of Agent for the benefit of the Buyers.

(b) Initiation.

(i) The Agent on behalf of the Buyers purchased the REO Subsidiary Interests with respect to the REO Subsidiary. As soon as available, but in no event later than [\*\*\*] prior to a proposed Purchase Date, Seller shall deliver to Agent (i) a Transaction Request, (ii) an Asset Schedule, and (iii) any other related information available to Seller at that time which, collectively, shall identify the proposed Mortgage Loan(s) for purchase and the proposed REO Properties to be transferred to the REO Subsidiary, the material characteristics of such Mortgage Loan(s) and REO Properties and the characteristics of the Purchased Assets. Seller shall also deliver to Agent such other information as may be reasonably requested by the Agent to assess such Mortgage Loan(s) and REO Properties. Seller shall involve Agent in all aspects of due diligence as Agent shall deem necessary in its sole discretion. Agent shall have the right to review the information set forth on the Asset Schedule and the Eligible Mortgage Loans and Eligible REO Properties proposed to be subject to a Transaction as Agent determines during normal business hours. If each of the conditions precedent in this Section 3 have been met as determined by Agent in its sole discretion, Agent shall confirm the terms of the proposed Transaction by issuing a Confirmation setting forth (A) the Purchase Date therefor, (B) the Purchase Price, (C) the Repurchase Date, (D) the Pricing Rate, (E) the Purchase Price Percentage, and (F) additional terms or conditions not inconsistent with this Agreement. Seller shall execute and return the Confirmation to Agent via e-mail on or prior to [\*\*\*] (New York City time) on the related Purchase Date, with the executed and acknowledged original Confirmation to follow via overnight delivery (and in any event to arrive no later than the [\*\*\*] after the related Purchase Date).

(ii) The Repurchase Date for each Transaction shall not be later than the then current Termination Date.

(iii) Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Transaction(s) covered thereby.

(iv) No later than the date and time set forth in the Custodial Agreement, Seller shall deliver to the Custodian the Asset File pertaining to each Eligible Mortgage Loan or REO Property made subject to a Transaction.

(v) Upon Agent's receipt of the Trust Receipt in accordance with the Custodial Agreement and subject to the provisions of this Section 3, the aggregate Purchase Price will be made available to Seller, with respect to each (x) Purchased Asset which is not a Wet-Ink Mortgage Loan, upon Agent's receipt of the Trust Receipt in accordance with the Custodial Agreement (in any event on or prior to the related Purchase Date) by Agent transferring, via wire transfer in the aggregate amount of such Purchase Prices in funds immediately available in accordance with Section 9(b) hereof and (y) Wet-Ink Mortgage Loan, by Agent transferring to the Disbursement Agent via wire transfer pursuant to the Wire Instructions the aggregate amount of such Purchase Price in funds immediately available; provided that to the extent funds are disbursed to the Disbursement Agent and a Wet-Ink Mortgage Loan is not funded, such funds shall be refunded to Agent on the same Business Day by Disbursement Agent transferring, via wire transfer pursuant to Agent's Wire Instructions, in the aggregate amount of such Purchase Prices in funds immediately available.

(vi) With respect to any Wet-Ink Mortgage Loan subject to a Transaction, on the related Purchase Date and on each Business Day following such Purchase Date, no later than the time set forth in the Custodial Agreement, the Custodian shall deliver to Agent a schedule listing each Wet-Ink Mortgage Loan with respect to which the complete Asset File has not been received by the Custodian (the "Wet-Aged Report").

(c) Optional Repurchase. Subject to the conditions herein, Seller may cause the sale of Purchased Assets or Contributed REO Properties and effect an Optional Repurchase (as defined below) without penalty or premium on any date in connection with such Optional Repurchase which is not made in connection with an ordinary course liquidation of a Mortgage Loan or Contributed REO Property. When the Mortgage Loans or Contributed REO Properties are desired to be sold or otherwise transferred or liquidated by Seller to a Take-out Investor (an "Optional Repurchase"), for net sale proceeds that are equal or greater to the Minimum Release Amount of such Mortgage Loans or Contributed REO Properties, Seller shall give Agent at least [\*\*\*] prior written notice thereof designating the applicable Mortgage Loans or Contributed REO Properties and specifying the net sale proceeds expected from such sale. If such notice is given, Seller shall cause the Take-out Investor to make payment directly to the Collection Account in an amount equal to the aggregate net proceeds to be received by Seller in connection with such sale. Seller shall cause the Take-out Investor or Servicer to remit the net sale proceeds in connection with such Optional Repurchase directly to the Collection Account.

(d) Repurchase. On the Repurchase Date, termination of the Transaction will be effected by reassignment to the Seller or its designee of the Purchased Assets or Contributed REO Properties, as applicable (and any Income in respect thereof received by Agent not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Section 5 hereof) against the simultaneous transfer of the Repurchase Price to an account of Agent maintained for the benefit of Buyers. Such obligation to repurchase exists without regard to any prior or intervening liquidation or foreclosure with respect to any Mortgage Loan or Contributed REO Property (but Liquidation Proceeds received by Agent shall be applied to reduce the Repurchase Price for such Mortgage Loans or Contributed REO Properties, as applicable, on each Remittance Date except as otherwise provided herein). Seller is obligated to obtain the Asset Files from Agent or its designee at Seller's expense on the Repurchase Date.

(e) HECM Buyout. After Seller has purchased a HECM Buyout, Seller shall include a notation of such HECM Buyout in the monthly report delivered to Agent as set forth in Section 13(d)(iv) hereof. All Mortgage Loans subject to an Agency Claim Process shall designate the Seller on the electronic submission to HUD as payee. Upon receipt of proceeds by Seller in Seller's HUD designated account, Seller shall transfer funds into the Collection Account within [\*\*\*], as more particularly set forth in Section 5(b) hereof.

(f) Alternative Rate. If prior to any Remittance Date, Agent determines in its sole discretion that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the LIBOR Rate, the LIBOR Rate is no longer in existence, or the administrator of the LIBOR Rate or a Governmental Authority having jurisdiction over Agent has made a public statement identifying a specific date after which the LIBOR Rate shall no longer be made available or used for determining the interest rate of loans, Agent may give prompt notice thereof to Seller, whereupon the rate for such period that will replace the LIBOR Rate, and for all subsequent periods until such notice has been withdrawn by Agent, shall be the greater of (i) an alternative benchmark rate (including any mathematical or other adjustments to the benchmark rate (if any) incorporated therein) and (ii) zero, together with any proposed Successor Rate Conforming Changes, as determined by Agent in its sole discretion (any such rate, a "Successor Rate").

(g) LIBOR Rate Breakage Costs. Without limiting, and in addition to, the provisions of Section 16 hereof, the Seller agrees that if any Repurchase Price is paid other than in connection with an ordinary course liquidation of a Mortgage Loan and such Repurchase Price is paid on a date other than on a Remittance Date, the Seller shall, upon demand by the Agent, pay to the Agent any such amounts as are reasonable to compensate the Agent for any additional losses (not including lost profits), costs or expenses which the Agent may incur as a result of such payments, including, without limitation, any hedge breakage costs.

(h) Repurchase Price Adjustment. If, as of any date of determination, a Repurchase Price Adjustment Date occurs with respect to any Purchased Asset that is a Home Safe Loan or Seasoned Non-Assignable Buyout, Seller shall remit the related Repurchase Price Adjustment Amount to Agent within [\*\*\*] of such Repurchase Price Adjustment Date.

(i) Conversion to REO Property. Promptly upon a Mortgage Loan becoming a Contributed REO Property as contemplated by Section 8(c) hereof, Seller shall (i) notify Agent in writing that such Mortgage Loan has become an REO Property and the value attributed to such REO Property by Seller, (ii) deliver to Agent and the Custodian an Asset Schedule with respect to such REO Property and (iii) be deemed to make the representations and warranties listed on Schedule 1-D hereto with respect to such Contributed REO Property. The acquisition of such Contributed REO Property by the REO Subsidiary, shall be subject to the then-existing Transaction with respect to the related Mortgage Loan and shall result in an applicable change in the value of the REO Subsidiary Interests with an offsetting change in the value of the related Mortgage Loans.

Section 4. Margin Amount Maintenance.

(a) At any time a Margin Deficit in excess of [\*\*\*] exists, then Agent may, by notice to Seller (as such notice is more particularly set forth below, a "Margin Call"), require Seller to transfer to Agent on behalf of the Buyers or its designee, cash in an amount sufficient to eliminate the Margin Deficit (a "Margin Payment").

(b) Notice delivered pursuant to Section 4(a) may be given by any written or electronic means. Any Margin Deficit notice given before [\*\*\*]. (New York City time) on a Business Day shall be met, and the related Margin Payment received, no later than [\*\*\*]. (New York City time) on such Business Day. If notice is made after [\*\*\*] (New York City time) on a Business Day, the Margin Payment shall be received by Agent at [\*\*\*] (New York City time) on the following Business Day.

(c) The failure of Agent, on any one (1) or more occasions, to exercise its rights hereunder, including, without limitation, its failure to send a Margin Call notice at any time a Purchased Asset is no longer an Eligible Mortgage Loan, or at any time there exists a Margin Deficit, shall not change or alter the terms and conditions to which this Agreement is subject or limit the right of Agent or any Buyer to do so at a later date, or in any way create additional rights for Seller.

(d) Any cash transferred to Agent pursuant to Section 4(a) above shall be credited to the Repurchase Price of the related Transactions.

Section 5. Income Payments.

(a) Notwithstanding that Agent and Seller intend that the Transactions hereunder be sales to Agent for the benefit of Buyers of the Purchased Assets for all purposes except accounting and tax purposes, Seller shall pay to the Agent for the benefit of the Buyers accreted value of the Price Differential (less any amount of such Price Differential previously paid by Seller to Agent for the benefit of the Buyers) on the Payment Date; provided that the Price Differential may be paid-in-kind up to the Maximum PIK Amount by increasing the Repurchase Price by an amount equal to the accreted value of the Price Differential (less any amount of such Price Differential previously paid by Seller to Agent for the benefit of the Buyers) and such Price Differential shall be deemed paid on such Payment Date upon such increase (any such Price Differential so paid, the "PIK Price Differential"). Any PIK Price Differential shall be added to the Repurchase Price for the applicable Mortgage Loans for which such Price Differential has accrued and shall accrue Price Differential at the applicable Pricing Rate applicable to the related Tranche. In the event that the Seller shall be entitled to pay PIK Price Differential on any Payment Date, then the Seller shall deliver a notice to the Agent for the benefit of the Buyers not less than [\*\*\*] prior to such Payment Date, which notice shall state the total amount of Price Differential to be paid on such Payment Date and the amount of such Price Differential to be paid as PIK Price Differential. Notwithstanding the preceding sentence, if Seller fails to pay (whether in cash or in-kind) all or part of the Price Differential then due by [\*\*\*] (New York City time) on any Payment Date, the Pricing Rate shall be equal to the Post-Default Rate until the Price Differential then due is received in full by Agent for the benefit of the Buyers.

(b) Notwithstanding the foregoing, the Seller Parties shall, and shall cause Servicer to, hold for the benefit of, and in trust for, Agent for the benefit of Buyers all Income, including, without limitation, all Income received by or on behalf of such Seller Party with respect to the Purchased Assets. Seller Parties shall cause any interim servicer to remit all such Income received on account of the Mortgage Loans or Contributed REO Properties serviced or managed by such interim servicer, to the Servicer on or prior to the related servicing transfer date. Seller Parties shall cause Servicer to deposit all such Income received on account of the Mortgage Loans or Contributed REO Properties serviced or managed by Servicer in accordance with the applicable Servicer Notice. To the extent that any Seller Party is holding any Income, such Seller Party shall deposit such Income on receipt into the Collection Account. The Seller Parties shall cause Servicer to remit to the Collection Account all Income held in the related Servicer Account (such instruction shall be set forth in the Servicer Notice and shall be irrevocable without the prior written consent of Agent) no later than, [\*\*\*] following receipt in the Servicer Account. To the extent HUD deducts any amounts owing by any Seller Party or Servicer to HUD, such Seller Party shall deposit, or cause Servicer to deposit, to the Collection Account within [\*\*\*] Day following notice or knowledge of such deduction by HUD, such deducted amounts into the Collection Account. All Income shall be held in trust for Agent for the benefit of the Buyers, shall constitute the property of Agent for the benefit of the Buyers except for tax purposes which shall be treated as income and property of the related Seller Party and when deposited into the Servicer Account and Collection Account, respectively, shall not be commingled with other property of such Seller Party or any Affiliate of such Seller Party. Subject to the terms of the Collection Account Control Agreement, funds deposited in the Collection Account during any Collection Period shall be held therein, in trust for Agent for the benefit of the Buyers, and shall be remitted to the Payment Account no later than [\*\*\*] following receipt. Funds on deposit in the Payment Account shall be applied on each Payment Date prior to the occurrence and continuance of an Event of Default as follows:

(i) first, pro rata, to Custodian and Disbursement Agent on account of any accrued and unpaid custodial and disbursement agent fees and to Payment Agent on account of any accrued and unpaid fees;

(ii) second, to Agent for the benefit of Buyers on account of unpaid fees, expenses, LIBOR Rate breakage costs, indemnity amounts and any other amounts due to the Agent and/or Buyers from Seller hereunder;

(iii) third, to allocate to Agent for the benefit of Buyers (where allocations to Agent shall be on account of the Repurchase Price) in a manner that will cause the outstanding Repurchase Price of the related Tranche to equal the Asset Value of such Tranche;

(iv) fourth, to pay to Agent for the benefit of Buyers an amount sufficient to eliminate any outstanding Margin Deficit with respect to any other Tranche to the extent collections on account of such Tranche are insufficient to eliminate any Margin Deficit (without limiting Seller's obligation to satisfy a Margin Deficit in a timely manner as required by Section 4);

(v) fifth, to pay unreimbursed Servicing Fees and advances due the applicable Servicer; and

(vi) sixth, all remaining amounts (if any), to the Seller, which may be used by Seller, in its discretion, to repay any amount owing with respect to any Tranche.

(c) To the extent that Agent for the benefit of the Buyers receives any funds from a Take-out Investor with respect to the purchase by such Take-out Investor of a Mortgage Loan or Contributed REO Property (“Disposition Proceeds”), Agent for the benefit of the Buyers shall promptly allocate and apply such funds in accordance with the same order of priority set forth in Section 5(b) hereof.

(d) Notwithstanding the preceding provisions, if an Event of Default has occurred and is continuing, all funds in the Collection Account and the Payment Account shall be withdrawn and applied as determined by Agent for the benefit of Buyers.

Section 6. Requirements of Law.

(a) If any Requirement of Law or any change in the interpretation or application thereof or compliance by Agent or any Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject Agent or any Buyer to any Tax or increased Tax of any kind whatsoever with respect to this Agreement or any Transaction (other than Excluded Taxes and Non-Excluded Taxes);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, or other extensions of credit by, or any other acquisition of funds by, any office of Agent or any Buyer which is not otherwise included in the determination of the LIBOR Rate or a Successor Rate hereunder; or

(iii) shall impose on any Buyer, Agent or any other condition; and

the result of any of the foregoing is to increase the cost to any Buyer or Agent, by an amount which such Buyer or Agent, as applicable, deems to be material, of entering, continuing or maintaining any Transaction or to reduce any amount due or owing hereunder in respect thereof, then, in any such case, Seller shall promptly pay Agent such additional amount or amounts as calculated by such Buyer or Agent in good faith as will compensate such Buyer or Agent, as applicable, for such increased cost or reduced amount receivable.

(b) If any Buyer or Agent shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Buyer or Agent, as applicable, or any corporation controlling such Buyer or Agent with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Buyer’s, Agent’s or such corporation’s capital as a consequence of its obligations hereunder to a level below that which such Buyer, Agent or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Buyer’s, Agent’s or such corporation’s policies with respect to capital adequacy) by an amount deemed by such Buyer or Agent, as applicable, to be material, then from time to time, Seller shall promptly pay to Agent such additional amount or amounts as will compensate such Buyer or Agent, as applicable for such reduction.

(c) If any Buyer or Agent becomes entitled to claim any additional amounts pursuant to this Section 6, it shall promptly notify Seller of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this Section 6(c) submitted by the applicable Buyer or Agent to Seller shall be conclusive in the absence of manifest error.

Section 7. Taxes.

(a) Any and all payments by Seller under or in respect of this Agreement or any other Facility Documents to which Seller is a party shall be made free and clear of, and without deduction or withholding for or on account of, any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities (including penalties, interest and additions to tax) with respect thereto, whether now or hereafter imposed, levied, collected, withheld or assessed by any taxation authority or other Governmental Authority (collectively, "Taxes"), unless required by law. If Seller shall be required under any applicable Requirement of Law to deduct or withhold any Taxes from or in respect of any sum payable under or in respect of this Agreement or any of the other Facility Documents to Agent on behalf of Buyers, (i) Seller shall make all such deductions and withholdings in respect of Taxes, (ii) Seller shall pay the full amount deducted or withheld in respect of Taxes to the relevant taxation authority or other Governmental Authority in accordance with any applicable Requirement of Law, and (iii) the sum payable by Seller shall be increased as may be necessary so that after Seller has made all required deductions and withholdings (including deductions and withholdings applicable to additional amounts payable under this Section 7) any Buyer and/or Agent receives an amount equal to the sum it would have received had no such deductions or withholdings been made in respect of Non-Excluded Taxes. For purposes of this Agreement the term "Non-Excluded Taxes" are Taxes other than (A) in the case of Agent and Buyers, Taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof), however denominated, by the jurisdiction under the laws of which such Buyer or Agent, as applicable, is organized or of its applicable lending office, or any political subdivision thereof, unless such Taxes are imposed as a result of such Buyer having executed, delivered or performed its obligations or received payments under, or enforced, this Agreement or any of the other Facility Documents, (B) in the case of a Buyer, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Buyer with respect to an applicable interest in a Transaction pursuant to a law in effect on the date on which such Buyer (i) acquires such interest in the Transaction or (ii) changes its lending office, except in each case to the extent that, pursuant to this Section 7, amounts with respect to such Taxes were payable either to such Buyer's assignor immediately before such Buyer became a party hereto or to such Buyer immediately before it changed its lending office, and (C) any withholding Taxes imposed under FATCA.

(b) In addition, Seller hereby agrees to pay any present or future stamp, recording, documentary, excise, property or value-added taxes, or similar taxes, charges or levies that arise from any payment made under or in respect of this Agreement or any other Facility Document or from the execution, delivery or registration of, any performance under, or otherwise with respect to, this Agreement or any other Facility Document (collectively, "Other Taxes").

(c) Seller hereby agrees to indemnify Agent and Buyers for, and to hold it harmless against, the full amount of Non-Excluded Taxes and Other Taxes, and the full amount of Non-Excluded Taxes or Other Taxes imposed on amounts payable by Seller under this Section 7 imposed on or paid by any Buyer and/or Agent and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto. The indemnity by Seller provided for in this Section 7(c) shall apply and be made whether or not the Non-Excluded Taxes or Other Taxes for which indemnification hereunder is sought have been correctly or legally imposed or asserted. Amounts payable by Seller under the indemnity set forth in this Section 7(c) shall be paid within [\*\*\*] from the date on which Agent or the related Buyer makes written demand therefor.

(d) Within [\*\*\*] after the date of any payment of Taxes, Seller (or any Person making such payment on behalf of Seller) shall furnish to Agent for its own account a certified copy of the original official receipt evidencing payment thereof.

(e) For purposes of this Section 7(e), the terms “United States” and “United States person” shall have the meanings specified in Section 7701 of the Code. Each of Agent and/or any Buyer (including for avoidance of doubt any assignee, successor or participant) that either (i) is not incorporated under the laws of the United States, any State thereof, or the District of Columbia or (ii) whose name does not include “Incorporated,” “Inc.,” “Corporation,” “Corp.,” “P.C.,” “N.A.,” “National Association,” “insurance company,” or “assurance company” (a “Non-Exempt Buyer”) shall deliver or cause to be delivered to Seller the following properly completed and duly executed documents:

(i) in the case of a Non-Exempt Buyer that is not a United States person or is a foreign disregarded entity for U.S. federal income tax purposes that is entitled to provide such form, a complete and executed (x) IRS Form W-8BEN with Part II completed in which such Buyer claims the benefits of a tax treaty with the United States providing for a zero or reduced rate of withholding (or any successor forms thereto), including all appropriate attachments or (y) IRS Form W-8ECI (or any successor forms thereto); or

(ii) in the case of an individual, a complete and executed (x) IRS Form W-8BEN (or any successor forms thereto) and a certificate substantially in the form of Exhibit F hereto (a “Section 7 Certificate”) or (y) IRS Form W-9 (or any successor forms thereto); or

(iii) in the case of a Non-Exempt Buyer that is organized under the laws of the United States, any State thereof, or the District of Columbia, a complete and executed IRS Form W-9 (or any successor forms thereto), including all appropriate attachments; or

(iv) in the case of a Non-Exempt Buyer that (x) is not organized under the laws of the United States, any State thereof, or the District of Columbia and (y) is treated as a corporation for U.S. federal income tax purposes, a complete and executed IRS Form W-8BEN (or any successor forms thereto) and a Section 7 Certificate; or

(v) in the case of a Non-Exempt Buyer that (A) is treated as a partnership or other non-corporate entity, and (B) is not organized under the laws of the United States, any State thereof, or the District of Columbia, (x) (i) a complete and executed IRS Form W-8IMY (or any successor forms thereto) (including all required documents and attachments) and (ii) a Section 7 Certificate, and (y) without duplication, with respect to each of its beneficial owners and the beneficial owners of such beneficial owners looking through chains of owners to individuals or entities that are treated as corporations for U.S. federal income tax purposes (all such owners, “beneficial owners”), the documents that would be provided by each such beneficial owner pursuant to this Section 7(e)(v) if such beneficial owner were Buyer; provided, however, that no such documents will be required with respect to a beneficial owner to the extent the actual Buyer is determined to be in compliance with the requirements for certification on behalf of its beneficial owner as may be provided in applicable Treasury Regulations, or the requirements of this Section 7(e)(v) are otherwise determined to be unnecessary, all such determinations under this Section 7(e)(v) to be made in the sole discretion of Seller; provided, however, that the applicable Buyer shall be provided an opportunity to establish such compliance as reasonable; or

(vi) in the case of a Non-Exempt Buyer that is disregarded for U.S. federal income tax purposes, the document that would be provided by its beneficial owner pursuant to this Section 7(e)(vi) if such beneficial owner were a Buyer; or

(vii) in the case of a Non-Exempt Buyer that (A) is not a United States person and (B) is acting in the capacity as an “intermediary” (as defined in the Treasury Regulations), (x) (i) IRS Form W-8IMY (or any successor form thereto) (including all required documents and attachments) and (ii) a Section 7 Certificate, and (y) if the intermediary is a “non-qualified intermediary” (as defined in the Treasury Regulations), from each person upon whose behalf the “non-qualified intermediary” is acting the documents that would be provided by each such person pursuant to this Section 7(e)(vii) if each such person were a Buyer; or

(viii) if a payment made to a Buyer under any Facility Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Buyer were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Buyer shall deliver to Seller and Agent at the time or times prescribed by law and at such time or times reasonably requested by Seller or Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Seller or Agent as may be necessary for Seller and Agent to comply with their obligations under FATCA and to determine that such Buyer has complied with such Buyer’s obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 7(e)(viii), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

If any Buyer has provided a form pursuant to Section 7(e)(i)(x) above and the form provided by such Buyer either at the time such Buyer first becomes a party to this Agreement or, with respect to a grant of a participation, at the effective date of such participation, indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be treated as Taxes other than "Non-Excluded Taxes" (together with Taxes excluded from the definition of "Non-Excluded Taxes", "Excluded Taxes") and shall not qualify as Non-Excluded Taxes unless and until such Buyer provides the appropriate form certifying that a lesser rate applies, whereupon withholding tax at such lesser rate shall be considered Excluded Taxes solely for the periods governed by such form. If, however, on the date (after the A&R Effective Date) a Person becomes an assignee, successor or participant to this Agreement, such Buyer transferor was entitled to indemnification or additional amounts under this Section 7, then such Buyer assignee, successor or participant shall be entitled to indemnification or additional amounts to the extent (and only to the extent), that such Buyer transferor was entitled to such indemnification or additional amounts for Non-Excluded Taxes, and such Buyer assignee, successor or participant shall be entitled to additional indemnification or additional amounts for any other or additional Non-Excluded Taxes.

(f) For any period with respect to which a Buyer has failed to provide Seller with the appropriate form, certificate or other document described in Section 7(e) hereof (other than (i) if such failure is due to a change in any applicable Requirement of Law, or in the interpretation or application thereof, occurring after the date on which a form, certificate or other document originally was required to be provided by such Buyer, or (ii) if it is legally inadvisable or otherwise commercially disadvantageous for such Buyer to deliver such form, certificate or other document), such Buyer shall not be entitled to indemnification or additional amounts under Section 7(a) or 7(c) hereof with respect to Non-Excluded Taxes imposed by the United States by reason of such failure; provided, however, that should a Buyer become subject to Non-Excluded Taxes because of its failure to deliver a form, certificate or other document required hereunder, Seller shall take such steps as such Buyer shall reasonably request, to assist such Buyer in recovering such Non-Excluded Taxes.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 7 (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 7 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 7(g) (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 7(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 7(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Agent shall, on or prior to the date of this Agreement, provide Seller with a properly completed and duly executed copy of IRS Form W-9. Any successor Agent shall promptly provide Seller with a properly completed and duly executed copy of IRS Form W-9 or appropriate Form W-8, as applicable. Agent agrees that if any form it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form

(i) Without prejudice to the survival of any other agreement of Seller hereunder, the agreements and obligations of Seller contained in this Section 7 shall survive the termination of this Agreement. Nothing contained in this Section 7 shall require any Buyer to make available any of its tax returns or any other information that it deems to be confidential or proprietary.

Section 8. Security Interest; Agent's Appointment as Attorney-in-Fact.

(a) Security Interest. On the Purchase Date, Seller hereby sells, assigns and conveys to Agent for the benefit of Buyers all right, title and interest in the Purchased Assets to the extent of its rights therein. Although the parties intend that all Transactions hereunder be sales and purchases (other than for accounting and tax purposes) and not loans, in the event any such Transactions are deemed to be loans, and in any event, Seller, to the extent of its rights therein, hereby pledges on the date hereof to Agent for the benefit of Buyers as security for the performance of the Obligations and hereby grants, assigns and pledges to Agent for the benefit of Buyers a first priority security interest in Seller's rights, title and interest in the Purchased Assets, its beneficial interest in the Contributed REO Properties, the Records, all Servicing Rights related to the Purchased Assets and Contributed REO Properties (to the extent of Seller's rights therein), all Ginnie Mae Securities related to Pooled Loans that are Purchased Assets, all Take-out Commitments with respect to Ginnie Mae Securities, the Facility Documents (to the extent such Facility Documents and Seller's rights thereunder relate to the Purchased Assets and Contributed REO Properties), any Property relating to any Purchased Asset or the related Mortgaged Property or Contributed REO Property, all rights to payment of mortgage guaranties and insurance (issued by governmental agencies or otherwise), including FHA claims, and any mortgage insurance certificate or other document evidencing such mortgage guaranties or insurance relating to any Purchased Asset or Contributed REO Property and all claims and payments thereunder and all rights of Seller to receive from any third party or to take delivery of any of the foregoing, all insurance policies and insurance proceeds relating to any Mortgage Loan or any related Mortgaged Property or Contributed REO Property, including but not limited to any payments or proceeds under any related primary insurance or hazard insurance, any Income relating to any Purchased Asset or Contributed REO Property, the Collection Account, the Disbursement Account, the Servicer Accounts, the Securities Account, the Payment Account, the Servicing Agreements, and any other contract rights, accounts (including any interest of Seller in escrow accounts) and any other payments, rights to payment (including payments of interest or finance charges) and general intangibles to the extent that the foregoing relates to any Purchased Assets or Contributed REO Properties and any other assets relating to the Purchased Assets and Contributed REO Properties (including, without limitation, any other accounts) or any interest in the Purchased Assets, the Mortgage Loans and the Contributed REO Properties, as are specified on a Confirmation and/or Trust Receipt and Asset Detail and Exception Report, and any proceeds and distributions and any other property, rights, title or interests with respect to any of the foregoing, in all instances, whether now owned or hereafter acquired, now existing or hereafter created (collectively, the "Primary Repurchase Assets").

(b) Additional Repurchase Assets. In order to further secure the Obligations hereunder, the REO Subsidiary, to the extent of its rights therein, hereby pledges on the date hereof to Agent for the benefit of Buyers as security for the performance of the Obligations and hereby grants, assigns and pledges to Agent for the benefit of Buyers a first priority security interest in the REO Subsidiary's rights, title and interest in the Subsidiary Owned Assets, the Records and all Servicing Rights related to the Subsidiary Owned Assets (to the extent of the REO Subsidiary's rights therein), all Take-out Commitments, the Facility Documents (to the extent such Facility Documents and the REO Subsidiary's rights thereunder relate to the Subsidiary Owned Assets), any Property relating to any Subsidiary Owned Asset, all insurance policies and insurance proceeds relating to any Subsidiary Owned Asset, including, but not limited to, any payments or proceeds under any related primary insurance or hazard insurance, Income relating to any Subsidiary Owned Asset, the Collection Account, the Servicer Accounts, the Servicing Agreements, and any other contract rights, accounts (including any interest of the REO Subsidiary in escrow accounts) and any other payments, rights to payment (including payments of interest or finance charges) and general intangibles to the extent that the foregoing relate to any Subsidiary Owned Assets (including, without limitation, any other accounts) or any interest in the Subsidiary Owned Assets as are specified on a Confirmation and/or Trust Receipt and Asset Detail and Exception Report, and any proceeds and distributions and any other property, rights, title or interests with respect to any of the foregoing, in all instances, whether now owned or hereafter acquired, now existing or hereafter created (collectively, the "Additional Repurchase Assets", and together with the Primary Repurchase Assets, the "Repurchase Assets"). All Additional Repurchase Assets shall be deemed to be part of the Subsidiary Owned Assets conveyed to the REO Subsidiary.

The parties acknowledge and agree that each Seller Party, as applicable, (A) is acquiring the Subsidiary Owned Assets subject to and subordinate to Agent's security interest, (B) is granting a Lien to Agent for the benefit of Buyers as partial consideration for the acquisition of such Subsidiary Owned Assets from the Seller or in consideration of the proceeds of the Transaction from the Agent for the benefit of Buyers and (C) hereby grants, assigns and pledges all rights and interests to Agent for the benefit of Buyers as security for the performance of the Obligations hereunder.

Without limiting the generality of the foregoing and in the event that any Seller Party is deemed to retain any residual Servicing Rights, and for the avoidance of doubt, such Seller Party grants, assigns and pledges to Agent for the benefit of Buyers a security interest in the Servicing Rights and proceeds related thereto and in all instances, whether now owned or hereafter acquired, now existing or hereafter created, on or prior to the related Repurchase Date. The foregoing provision is intended to constitute a security agreement or other arrangement or other credit enhancement related to this Agreement and Transactions hereunder as defined under Sections 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code.

Each Seller Party hereby authorizes Agent to file such financing statement or statements relating to the Repurchase Assets as Agent, at its option, may deem reasonable and appropriate. Seller shall pay the filing costs for any financing statement or statements prepared pursuant to this Section 8.

The grants of security interest set forth in this Section 8, including, without limitation, the security interest granted by the REO Subsidiary with respect to the Subsidiary Owned Assets, are intended to constitute a security agreement or other arrangement or other credit enhancement related to this Agreement and Transactions hereunder as defined under Sections 101(47)(v) and 741(7)(xi) of the Bankruptcy Code.

(c) Acquisition of Contributed REO Property. If Seller shall cause the REO Subsidiary to acquire, or contemplate the acquisition by the REO Subsidiary of, any Contributed REO Property in the name of the REO Subsidiary, or desire to extinguish any Mortgage Note in connection with the foreclosure of the related Mortgage Loan, a transfer of the real property underlying the Mortgage Note in lieu of foreclosure or other transfer of such real property, Seller shall cause such real property to be taken by Deed, or by means of such instruments as is provided by the Governmental Authority governing the transfer, or right to request transfer and issuance of the Deed, or such instrument as is provided by the related Governmental Authority, or to be acquired through foreclosure sale in the jurisdiction in which the Contributed REO Property is located, in the name of the REO Subsidiary and in accordance with the terms of the REO Subsidiary Agreement.

(d) REO Subsidiary Interests as Securities. The parties acknowledge and agree that the REO Subsidiary Interests shall constitute and remain "securities" as defined in Section 8-102 of the Uniform Commercial Code; Seller covenants and agrees that the REO Subsidiary Interests are not and will not (i) be dealt in or traded on securities exchanges or securities markets and (ii) be investment company securities within the meaning of Section 8-103 of the Uniform Commercial Code. Seller shall, at its sole cost and expense, take all steps as may be necessary in connection with the re-registration, indorsement, transfer, delivery and pledge of all REO Subsidiary Interests to Agent.

(e) Additional Interests. If Seller shall, as a result of ownership of the REO Subsidiary Interests, become entitled to receive or shall receive any certificate evidencing any such REO Subsidiary Interests or other equity interest, any option rights, or any equity interest in the REO Subsidiary Interests whether in addition to, in substitution for, as a conversion of, or in exchange for the REO Subsidiary Interests, or otherwise in respect thereof, Seller shall accept the same on behalf of the Agent, hold the same in trust for Agent for the benefit of Buyers and deliver the same forthwith to the Agent in the exact form received, duly indorsed by Seller to the Agent, if required, together with an undated transfer power, if required, covering such certificate duly executed in blank, or, if requested, deliver the REO Subsidiary Interests re-registered in the name of Agent, to be held by the Agent subject to the terms hereof as additional security for the Obligations. Any sums paid upon or in respect of the REO Subsidiary Interests upon the liquidation or dissolution of the REO Subsidiary shall be paid over to the Agent as additional security for the Obligations. If following the occurrence and during the continuation of an Event of Default any sums of money or property so paid or distributed with respect to the REO Subsidiary Interests shall be received by Seller, Seller shall, until such money or property is paid or delivered to the Agent, hold such money or property in trust for the Agent for the benefit of Buyers segregated from other funds of Seller as additional security for the Obligations.

(f) Voting Rights. Subject to this Section 8(f), Agent on behalf of Buyers, as the holder shall exercise all voting and member rights with respect to the REO Subsidiary Interests granted to it as member of the REO Subsidiary pursuant to the REO Subsidiary Agreement. Notwithstanding the foregoing, so long as an Event of Default has not occurred and is continuing, (i) Agent shall notify and consult with Seller prior to the exercise of any rights under this Section 8 and (ii) Seller shall have the right to direct Agent, with respect to any action or inaction related to the REO Subsidiary Interests (in the event any action is requested or required to be taken) and Agent shall comply with such direction unless Agent determines in its sole discretion that such compliance with such direction will result in a Material Adverse Effect; provided, however, Agent may in its sole discretion or, may direct Seller to, transfer the servicing of the Purchased Assets or terminate a Servicing Agreement in connection with an Event of Default that has occurred and is continuing. In no event shall Agent be required to vote or exercise any member right or take other action which would impair the REO Subsidiary Interests or which would be inconsistent with or result in a violation of any provision of this Agreement. Without limiting the generality of the foregoing, Agent shall have no obligation to (a) vote to enable, or take any other action to permit the REO Subsidiary to issue any interests of any nature or to issue any other interests convertible into or granting the right to purchase or exchange for any interests of such entity, (b) sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to the REO Subsidiary Interests, (c) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, the Seller's interest in the REO Subsidiary Interests except for the Lien provided for by this Agreement, or (d) enter into any agreement or undertaking restricting the right or ability of Seller to sell, assign or transfer the REO Subsidiary Interests.

(g) Agent's Appointment as Attorney in Fact. Each Seller Party hereby irrevocably constitutes and appoints Agent on behalf of Buyers and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Seller Party, as applicable, and in the name of such Seller Party, as applicable, or in its own name, from time to time in Agent's discretion, for the purpose of carrying out the terms of this Agreement and to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement, in each case, subject to the terms of this Agreement. Without limiting the generality of the foregoing, each Seller Party hereby gives Agent the power and right, on behalf of such Seller Party, as applicable, without assent by, but with notice to, such Seller Party, as applicable, if an Event of Default shall have occurred and be continuing, to do the following:

(i) in the name of such Seller Party, as applicable, or in its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any other Repurchase Assets and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any and all such moneys due with respect to any other Repurchase Assets whenever payable;

(ii) to pay or discharge Taxes and Liens levied or placed on or threatened against the Repurchase Assets; and

(iii) (A) to direct any party liable for any payment under any Repurchase Assets to make payment of any and all moneys due or to become due thereunder directly to Agent or as Agent shall direct, including, without limitation, any payment agent with respect to any Repurchase Asset; (B) to send "goodbye" letters on behalf of such Seller Party and Servicer; (C) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Repurchase Assets; (D) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any Repurchase Assets; (E) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Repurchase Assets or any proceeds thereof and to enforce any other right in respect of any Repurchase Assets; (F) to defend any suit, action or proceeding brought against such Seller Party with respect to any Repurchase Assets; (G) to settle, compromise or adjust any suit, action or proceeding described in clause (F) above and, in connection therewith, to give such discharges or releases as Agent may deem appropriate; (H) to cause the mortgagee ID with respect to each HECM Loan to be transferred to any successor to such HECM Loan or its agent as determined by Agent; and (I) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Repurchase Assets as fully and completely as though Agent were the absolute owner thereof for all purposes, and to do, at Agent's option and Seller's expense, at any time, and from time to time, all acts and things which Agent deems necessary to protect, preserve or realize upon the Repurchase Assets and Agent's Liens thereon and to effect the intent of this Agreement, all as fully and effectively as such Seller Party might do.

Each Seller Party hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable. In addition to the foregoing, each Seller Party agrees to execute a Power of Attorney, in the form of Exhibit J hereto, to be delivered on the date hereof. Each Seller Party and Agent acknowledges that the Powers of Attorney shall terminate on the Termination Date and satisfaction in full of the Obligations.

Each Seller Party also authorizes Agent, if an Event of Default shall have occurred and is continuing, from time to time, to execute, in connection with any sale provided for in Section 15 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Repurchase Assets.

The powers conferred on Agent hereunder are solely to protect Agent's interests (on behalf of the Buyers) in the Repurchase Assets and shall not impose any duty upon it to exercise any such powers. Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Seller Parties for any act or failure to act hereunder, except for its or their own gross negligence or willful misconduct.

Section 9. Payment, Transfer and Custody.

(a) Payments and Transfers of Funds. Unless otherwise mutually agreed in writing, all transfers of funds to be made by Seller hereunder shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to Agent in accordance with Agent's Wire Instructions, not later than [\*\*\*] (New York City time), on the date on which such payment shall become due (and each such payment made after such time shall be deemed to have been made on the next succeeding Business Day). Seller acknowledges that it has no rights of withdrawal from the foregoing account.

(b) Remittance of Purchase Price. On the Purchase Date for each Transaction, ownership of the Purchased Assets shall be transferred to Agent on behalf of Buyers or its designee, with respect to (i) Purchased Assets that are not Wet-Ink Mortgage Loans, against the simultaneous transfer of the Purchase Price to such account as agreed to by Agent on behalf of Buyers and Seller, simultaneously with the delivery to Agent of the Purchased Assets relating to each Transaction and (ii) the Wet-Ink Mortgage Loans, upon the disbursement of funds by the Disbursement Agent pursuant to the terms and conditions of the Custodial Agreement. Upon notice from the Settlement Agent to Seller and/or Agent on behalf of Buyers that any Wet-Ink Mortgage Loan subject to a Transaction was not originated, the Wet-Ink Mortgage Loan shall be removed from the list of Eligible Mortgage Loans and the Settlement Agent shall immediately return the related Purchase Price funded by Agent on behalf of Buyers via wire transfer, in accordance with Agent's Wire Instructions, in accordance with the Escrow Instruction Letter. Seller shall immediately notify Agent if a Wet-Ink Mortgage Loan was not originated and has been removed from the list of Eligible Mortgage Loans.

Section 10. Hypothecation or Pledge of Purchased Assets and Contributed REO Properties(i) . Title to all Purchased Assets and Repurchase Assets shall pass to Agent on behalf of Buyers and Agent on behalf of Buyers shall have free and unrestricted use of all Purchased Assets, Mortgage Loans and Contributed REO Properties. Nothing in this Agreement shall preclude any Buyer from engaging in repurchase transactions with the Purchased Assets, Mortgage Loans or Contributed REO Properties or otherwise pledging, repledging, transferring, hypothecating, or rehypothecating its interest in the Purchased Assets, Mortgage Loans or Contributed REO Properties. In furtherance, and not by limitation of, the foregoing, it is acknowledged that each counterparty with which any Buyer may engage in a transaction as contemplated hereunder is a repleree as contemplated by Sections 9-207 and 9-623 of the UCC (and the relevant Official Comments thereunder). Nothing contained in this Agreement shall obligate Agent on behalf of Buyers to segregate any Purchased Assets delivered to Agent by Seller.

Section 11. Fees. Seller shall pay to Agent for the benefit of Buyers in immediately available funds, all fees due and owing as and when set forth in the Pricing Side Letter. The fees are non-refundable, and such payment shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to Agent at such account designated by Agent.

Section 12. Representations. Seller represents and warrants to Agent and Buyers that as of the Purchase Date of any Purchased Assets by Agent on behalf of Buyers from Seller and as of the date of this Agreement and any Transaction hereunder and at all times while the Facility Documents and any Transaction hereunder is in full force and effect:

(a) Acting as Principal. Seller will engage in such Transactions as principal (or, if agreed in writing in advance of any Transaction by the other party hereto, as agent for a disclosed principal).

(b) Agency Approvals. With respect to each Ginnie Mae Security, Seller is approved as an issuer by Ginnie Mae. Seller is in good standing, with no event having occurred or Seller having any reason whatsoever to believe or suspect will occur, including, without limitation, a change in insurance coverage which would either make Seller unable to comply with the eligibility requirements for maintaining all such applicable approvals or require notification to Ginnie Mae. Servicer has adequate financial standing, servicing facilities, procedures and experienced personnel necessary for the sound servicing of mortgage loans of the same types as may from time to time constitute Mortgage Loans and in accordance with Accepted Servicing Practices.

(c) Solvency. Neither the Facility Documents nor any Transaction thereunder are entered into in contemplation of insolvency or with intent to hinder, delay or defraud any of a Seller Party's creditors. The transfer of the Purchased Assets subject hereto is not undertaken with the intent to hinder, delay or defraud any of a Seller Party's creditors. No Seller Party is insolvent within the meaning of 11 U.S.C. § 101(32) and the transfer and sale of the Purchased Assets pursuant hereto will not (i) cause a Seller Party to become insolvent, (ii) result in any property remaining with a Seller Party to be unreasonably small capital, or (iii) result in debts that would be beyond a Seller Party's ability to pay as same mature. Seller received reasonably equivalent value in exchange for the transfer and sale of Contributed REO Property to the REO Subsidiary and Seller has received reasonably equivalent value in exchange for the transfer and sale of the Purchased Assets subject hereto.

(d) No Broker. No Seller Party has dealt with any broker, investment banker, agent, or other person, except for Agent and/or a Buyer, who may be entitled to any commission or compensation in connection with the sale of Purchased Assets pursuant to this Agreement.

(e) Ability to Perform. No Seller Party believes, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in the Facility Documents to which it is a party on its part to be performed.

(f) Existence. Each Seller Party (a) is a limited liability company duly organized, validly existing under the laws of Delaware, (b) is in good standing under the laws of Delaware, (c) has all requisite corporate or other power, and has all governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted, except where the lack of such licenses, authorizations, consents and approvals would not be reasonably likely to have a Material Adverse Effect; and (d) is qualified to do business and is in good standing in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary, except where failure so to qualify would not be reasonably likely (either individually or in the aggregate) to have a Material Adverse Effect.

(g) Financial Statements. Seller has heretofore furnished to Agent a copy of its (a) consolidated balance sheet and the consolidated balance sheets of their respective consolidated Subsidiaries for the fiscal year ended December 31, 2020 and the related consolidated statements of income and retained earnings and of cash flows for Seller and its consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous year, with the opinion thereon of BDO USA, LLP and (b) consolidated balance sheet and the consolidated balance sheets of its consolidated Subsidiaries for the such monthly periods of Seller up until December 31, 2020 and the related consolidated statements of income and retained earnings and of cash flows for Seller and its consolidated Subsidiaries for such monthly periods, setting forth in each case in comparative form the figures for the previous year. All such financial statements are complete and correct and fairly present, in all material respects, the consolidated financial condition of Seller and its Subsidiaries and the consolidated results of their operations as at such dates and for such monthly periods, all in accordance with GAAP applied on a consistent basis. Since December 31, 2020, there has been no material adverse change in the consolidated business, operations or financial condition of Seller or its consolidated Subsidiaries taken as a whole from that set forth in said financial statements nor is Seller aware of any state of facts which (without notice or the lapse of time) would or could result in any such material adverse change or could have a Material Adverse Effect. Seller has, on December 31, 2020, no liabilities, direct or indirect, fixed or contingent, matured or unmatured, known or unknown, or liabilities for taxes, long-term leases or unusual forward or long-term commitments not disclosed by, or reserved against in, said balance sheet and related statements, and at the present time there are no material unrealized or anticipated losses from any loans, advances or other commitments of Seller except as heretofore disclosed to Agent in writing.

(h) No Breach. Neither (a) the execution and delivery of the Facility Documents nor (b) the consummation of the transactions therein contemplated to be entered into by Seller Parties in compliance with the terms and provisions thereof will conflict with or result in (i) a breach of the organizational documents of Seller Parties, (ii) a breach of any applicable law, rule or regulation, (iii) a breach of any order, writ, injunction or decree of any Governmental Authority applicable to Seller Parties, (iv) a breach of other material agreement or instrument to which a Seller Party or any of its Subsidiaries is a party or by which any of them or any of their Property is bound or to which any of them is subject, (v) a default under any such material agreement or instrument, or (vi) the creation or imposition of any Lien (except for the Liens created pursuant to the Facility Documents) upon any Property of any Seller Party or any of their Subsidiaries pursuant to the terms of any such agreement or instrument.

(i) Action. Each Seller Party has all necessary corporate or other power, authority and legal right to execute, deliver and perform its obligations under each of the Facility Documents to which it is a party, as applicable; the execution, delivery and performance by each of the Seller Parties of each of the Facility Documents to which it is a party have been duly authorized by all necessary corporate or other action on such Seller Party's part; and each Facility Document to which it is a party has been duly and validly executed and delivered by such Seller Party, as applicable.

(j) Approvals. No authorizations, approvals or consents of, and no filings or registrations with, any Governmental Authority or any securities exchange are necessary for the execution, delivery or performance by each of the Seller Parties of the Facility Documents to which it is a party or for the legality, validity or enforceability thereof, except for filings and recordings in respect of the Liens created pursuant to the Facility Documents.

(k) Enforceability. This Agreement and all of the other Facility Documents executed and delivered by Seller Parties in connection herewith are legal, valid and binding obligations of such Seller Party and are enforceable against such Seller Party in accordance with their terms except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity.

(l) Indebtedness. Except as disclosed in writing to Agent in a compliance certificate delivered pursuant to Section 13(d)(iii) hereof, no Seller Party has Indebtedness other than under this Agreement.

(m) Material Adverse Effect. Except as disclosed in writing, since December 31, 2020, there has been no development or event nor, to any Seller Party's knowledge, any prospective development or event, which has had or could have a Material Adverse Effect.

(n) No Default. No Default or Event of Default has occurred and is continuing.

(o) No Adverse Selection. No Seller Party has selected the Purchased Assets or Contributed REO Properties in a manner so as to adversely affect Agent's or any Buyer's interests.

(p) Litigation. There are no actions, suits, arbitrations, investigations (including, without limitation, any of the foregoing which are pending or threatened) or other legal or arbitrable proceedings affecting any Seller Party or any of its respective Subsidiaries or affecting any of the Property of any of them before any Governmental Authority that (i) questions or challenges the validity or enforceability of any of the Facility Documents or any action to be taken in connection with the transactions contemplated hereby, (ii) makes a claim in an aggregate amount greater than [\*\*\*], or (iii) individually or in the aggregate, if adversely determined, could be reasonably likely to have a Material Adverse Effect.

(q) Margin Regulations. The use of all funds acquired by any Seller Party under this Agreement will not conflict with or contravene any of Regulations T, U or X.

(r) Taxes. Each Seller Party and its respective Subsidiaries have timely filed all federal and other material tax returns that are required to be filed by it and has timely paid all federal and other material Taxes, except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided. There are no Liens for Taxes, except for statutory Liens for Taxes not yet due and payable.

(s) Investment Company Act. No Seller Party nor any of its respective Subsidiaries is an "investment company", or a company "controlled" by an "investment company," within the meaning of the Investment Company Act.

(t) Purchased Assets.

(i) No Seller Party has assigned, pledged, or otherwise conveyed or encumbered any Purchased Asset to any other Person other than as expressly provided for in the Facility Documents.

(ii) Immediately prior to the sale of a Purchased Asset to a Buyer, Seller was the sole owner of such Purchased Asset and had good and marketable title thereto, free and clear of all Liens, in each case except for Liens to be released simultaneously with the sale to the Agent for the benefit of Buyers hereunder.

(iii) The provisions of this Agreement are effective to either constitute a sale of the Purchased Assets to the Agent for the benefit of Buyers or to create in favor of the Agent for the benefit of Buyers a valid security interest in all right, title and interest of Seller Parties in, to and under the Purchased Assets. The provisions of this Agreement are effective to either constitute a sale of the Repurchase Assets to the Agent for the benefit of Buyers or to create in favor of the Agent for the benefit of Buyers a valid security interest in all right, title and interest of Seller Parties in, to and under the Repurchase Assets.

(u) Chief Executive Office/Jurisdiction of Organization. On the A&R Effective Date, Seller's chief executive office, is, and has been located at 8023 East 63rd Place, Suite 700, Tulsa, Oklahoma 74133. On the A&R Effective Date, Seller's jurisdiction of organization is Delaware. On the A&R Effective Date, the REO Subsidiary's chief executive office is located at 8023 East 63rd Place, Suite 700, Tulsa, Oklahoma 74133. On the A&R Effective Date, the REO Subsidiary's jurisdiction of organization is Delaware.

(v) Location of Books and Records. The location where Seller keeps its books and records, including all computer tapes and records related to the Repurchase Assets, is its chief executive office.

(w) True and Complete Disclosure. The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of any Seller Party to Agent and/or Buyers in connection with the negotiation, preparation or delivery of this Agreement and the other Facility Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of Seller to Agent and/or Buyers in connection with this Agreement and the other Facility Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to a Responsible Officer of Seller, after due inquiry, that could reasonably be expected to have a Material Adverse Effect that has not been disclosed herein, in the other Facility Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to Agent and/or Buyers for use in connection with the transactions contemplated hereby or thereby.

(x) ERISA.

(i) No liability under Section 4062, 4063, 4064 or 4069 of ERISA has been or is expected by any of the Seller Parties to be incurred by any of the Seller Parties or any ERISA Affiliate thereof with respect to any Plan which is a Single-Employer Plan in an amount that could reasonably be expected to have a Material Adverse Effect.

(ii) No Plan which is a Single-Employer Plan had an accumulated funding deficiency, whether or not waived, as of the last day of the most recent fiscal year of such Plan ended prior to the date hereof, and no such plan which is subject to Section 412 of the Code failed to meet the requirements of Section 436 of the Code as of such last day. No Seller Party is, nor any ERISA Affiliate thereof is, subject to a Lien in favor of such a Plan as described in Section 430(k) of the Code or Section 303(k) of ERISA.

(iii) Each Plan of each Seller Party and each of its respective Subsidiaries and ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code, except where the failure to comply would not result in any Material Adverse Effect.

(iv) No Seller Party has, nor any of its Subsidiaries nor any ERISA Affiliate has, incurred a tax liability under Chapter 43 of the Code or a penalty under Section 502(i) of ERISA which has not been paid in full, except where the incurrence of such tax or penalty would not result in a Material Adverse Effect.

(v) No Seller Party has, nor any of its Subsidiaries nor any ERISA Affiliate thereof has, incurred or reasonably expects to incur any withdrawal liability under Section 4201 of ERISA as a result of a complete or partial withdrawal from a Multiemployer Plan in an amount that could reasonably be expected to have a Material Adverse Effect.

(y) Compliance with 1933 Act. Seller and anyone acting on its behalf has not offered, transferred, pledged, sold or otherwise disposed of the REO Subsidiary Certificate or any interest in the REO Subsidiary Certificate to, or solicited any offer to buy or accept a transfer, pledge or other disposition of the REO Subsidiary Certificate or any interest in the REO Subsidiary Certificate from, or otherwise approached or negotiated with respect to the REO Subsidiary Certificate or any interest in the REO Subsidiary Certificate with, any person in any manner, or made any general solicitation by means of general advertising or in any other manner, or taken any other action, in each case, which would constitute a distribution of the REO Subsidiary Certificate under the 1933 Act or which would render the disposition of the REO Subsidiary Certificate a violation of Section 5 of the 1933 Act or require registration pursuant thereto.

(z) No Reliance. Each Seller Party has made its own independent decisions to enter into the Facility Documents and each Transaction and as to whether such Transaction is appropriate and proper for it based upon its own judgment and upon advice from such advisors (including without limitation, legal counsel and accountants) as it has deemed necessary. No Seller Party is relying upon any advice from Agent or any Buyer as to any aspect of the Transactions, including without limitation, the legal, accounting or tax treatment of such Transactions.

(aa) Plan Assets. No Seller Party is an employee benefit plan as defined in Section 3 of Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code, and the Purchased Assets are not “plan assets” within the meaning of 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA, and transactions by or with a Seller Party are not subject to any state or local statute regulating investments of, or fiduciary obligations with respect to governmental plans within the meaning of Section 3(32) of ERISA.

(bb) Anti-Money Laundering Laws. Each Seller Party has complied with the Anti-Money Laundering Laws; each Seller Party 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 acquisition of each Mortgage Loan for purposes of the Anti-Money Laundering Laws, including with respect to the legitimacy of the applicable Mortgagor and the origin of the assets used by the said Mortgagor to purchase the property in question, and maintains, and will maintain, sufficient information to identify the applicable Mortgagor for purposes of the Anti-Money Laundering Laws.

(cc) No Prohibited Persons. No Seller Party is, nor any of its respective Affiliates, officers, directors, partners or members or the Mortgagor related to any Purchased Asset is, an entity or person (or to any Seller Party’s knowledge, owned or controlled by an entity or person): (i) that is listed in the Annex to, or is otherwise subject to the provisions of EO13224; (ii) whose name appears on OFAC’s most current list of “Specially Designated Nationals and Blocked Persons” (which list may be published from time to time in various mediums including, but not limited to, OFAC’s website, <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>); (iii) who commits, threatens to commit or supports “terrorism”, as that term is defined in EO13224; or (iv) who is an affiliate of any entity or person listed above (any and all parties or persons described in clauses (i) through (iv) above are herein referred to as a “Prohibited Person”).

Section 13. Covenants Of Seller Parties. On and as of the date of this Agreement and each Purchase Date and on each day until this Agreement is no longer in force, each Seller Party covenants as follows:

(a) Preservation of Existence; Compliance with Law. Each Seller Party shall:

- (i) Preserve and maintain its legal existence;
- (ii) Comply with the requirements of all applicable laws, rules, regulations and orders, whether now in effect or hereafter enacted or promulgated by any applicable Governmental Authority (including, without limitation, all environmental laws); and
- (iii) Preserve and maintain all material rights, privileges, licenses, franchises, permits or other approvals necessary for such Seller Party to conduct its business and to perform its obligations under the Facility Documents, and shall conduct its business strictly in accordance with applicable law.

(b) Taxes. Each Seller Party and its respective Subsidiaries shall timely file all federal and other material tax returns that are required to be filed by it and shall timely pay all federal and other material Taxes due, except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided.

(c) Notice of Proceedings or Adverse Change. Each Seller Party shall give notice to Agent immediately after a responsible officer of such Seller Party has any knowledge of:

- (i) the occurrence and continuance of any Default or Event of Default;
- (ii) any default or event of default under any Indebtedness of any Seller Party which, if not cured or if adversely determined, would reasonably be expected to have a Material Adverse Effect or constitute a Default or Event of Default;
- (iii) any litigation or proceeding that is pending or threatened (a) against a Seller Party in which the amount involved exceeds [\*\*\*], and is not covered by insurance, in which injunctive or similar relief is sought, or which, if adversely determined, would reasonably be expected to have a Material Adverse Effect and (b) in connection with any of the Repurchase Assets, which, if adversely determined, would reasonably be expected to have a Material Adverse Effect;
- (iv) as soon as reasonably possible, notice of any of the following events:
  - (A) a material change in the insurance coverage of any Seller Party, with a copy of evidence of same attached;
  - (B) any material change in accounting policies or financial reporting practices of any Seller Party;
  - (C) notice or knowledge that a Servicer, for any reason, ceases to possess any agency approvals required to service the Mortgage Loans, or should notification of a material and/or adverse action with respect to the servicing of the Mortgage Loans to the relevant agency or to HUD be required;
  - (D) promptly upon receipt of notice or knowledge of any Lien or security interest (other than security interests created hereby or under any other Facility Document) on, or claim asserted against, any of the Repurchase Assets;
  - (E) as soon as practicable, but, in any case, no more than [\*\*\*], after any Seller Party has obtained knowledge of any fact that could be the basis of any reduction of Asset Value with respect to a Purchased Asset, notice identifying the Purchased Asset with respect to which such reduction of Asset Value exists and detailing the cause of such reduction of Asset Value; or
  - (F) any other event, circumstance or condition that has resulted or could reasonably be expected to result in a Material Adverse Effect;
- (v) promptly, but no later than [\*\*\*] after any Seller Party receives any of the same, deliver to Agent a true, complete, and correct copy of any schedule, report, notice, or any other document delivered to such Seller Party by any Person which would have an adverse effect on the Asset Value of any of the Repurchase Assets;

(vi) promptly, but no later than [\*\*\*] after any Seller Party receives notice of the same, any Mortgage Loan or Contributed REO Property submitted to a Take-out Investor (whole loan or securitization) and rejected for purchase by such Take-out Investor;

(vii) promptly, but no later than [\*\*\*] after any Seller Party receives notice of any Security Issuance Failure; and

(viii) promptly, but no later than [\*\*\*] after any Seller Party receives notice of the same, any Pooled Loan is eligible for a forward trade with a Take-out Investor by providing a copy of the applicable Take-out Commitment to the Agent.

(d) Reporting. Seller shall maintain a system of accounting established and administered in accordance with GAAP, and Seller shall furnish to Agent:

(i) Within [\*\*\*] after the [\*\*\*] of each of the first (1<sup>st</sup>) three (3) fiscal quarters of each fiscal year of Seller, Seller's management certified Financial Statements, including a balance sheet, income statement and cash flow statement, each as of the end of such fiscal quarter and in each case presented fairly in accordance with GAAP;

(ii) Within [\*\*\*] after the [\*\*\*] of its fiscal year, commencing with the 2021 fiscal year, Seller's Financial Statements for such fiscal year, presented fairly in accordance with GAAP, and accompanied, in all cases, by an unqualified report of nationally recognized independent certified public accountants approved by Agent (which approval shall not be unreasonably withheld);

(iii) (A) Simultaneously with the furnishing of each of the financial statements to be delivered pursuant to Sections 13(d)(i) and (ii) hereof, or monthly upon Agent's request, a certificate in form and substance acceptable to Agent in its sole discretion, and certified by an executive officer of Seller, and (B) quarterly, or simultaneously with the financial statements to be delivered pursuant to Section 13(d)(i) hereof, an officer's certificate of covenant compliance certifying that (x) the related Financial Statements are true and correct, (y) compliance with the Financial Condition Covenants set forth in the Pricing Side Letter and (z) setting forth any Indebtedness of the Seller other than Indebtedness under this Agreement;

(iv) Within [\*\*\*] after the end of each calendar month, a monthly report of Seller (x) listing the HECM Buyouts consummated in such month notifying Agent of commencement of such Agency Claim Process with respect to the related Mortgage Loan and (y) setting forth any litigation, investigation, regulatory action or proceeding that is pending or threatened by or against Seller in any federal or state court or before any Governmental Authority which, if not cured or if adversely determined, would reasonably be expected to have a Material Adverse Effect or constitute a Default or Event of Default, in form and substance acceptable to Agent;

(v) Within [\*\*\*] after the end of each calendar month, a Quality Control Report, in form and substance acceptable to Agent, provided that if Agent at any time has concerns regarding the information, results or conclusions set forth in such Quality Control Report, then (without limiting the generality of Section 19 hereof) the Agent may in its sole discretion, and at Seller's expense, hire a verification agent selected by Agent to perform quality control reviews at such intervals as it deems appropriate in its sole good faith discretion;

(vi) Within [\*\*\*] after the end of each calendar month, a monthly servicing report of Servicer, in the form attached as Exhibit E hereto, which form will be agreed upon by Agent and Seller prior to the delivery of the first such report (the "Monthly Servicing Report");

(vii) [\*\*\*] prior to each Remittance Date, a monthly remittance report of Servicer, in form and substance acceptable to the Agent;

(viii) Within [\*\*\*] after any material amendment, modification or supplement has been entered into with respect to a Servicing Agreement, a fully executed copy thereof, certified by Seller to be true, correct and complete;

(ix) Any other agreements, correspondence, documents or other information which have not previously been disclosed to Agent that (x) would have a Material Adverse Effect on the Seller or (y) materially effects the Purchased Assets or the Mortgage Loans, in each case, as soon as possible after the discovery thereof by Seller; and

(x) Promptly, from time to time, such other information regarding the business affairs, operations and financial condition of Seller and its Subsidiaries as Agent may reasonably request.

(e) Visitation and Inspection Rights. Each Seller Party shall permit Agent and Buyers to inspect, and to discuss with such Seller Party's officers, agents and auditors, the affairs, finances, and accounts of such Seller Party, the Repurchase Assets, and such Seller Party's books and records, and to make abstracts or reproductions thereof and to duplicate, reduce to hard copy or otherwise use any and all computer or electronically stored information or data, in each case, (i) during normal business hours, (ii) upon reasonable notice (provided, that upon the occurrence and continuance of an Event of Default, no notice shall be required), and (iii) at the expense of such Seller Party to discuss with its officers, its affairs, finances, and accounts.

(f) Reimbursement of Expenses. On the date of execution of this Agreement, each Seller Party shall reimburse Agent for all expenses (including legal fees) incurred by Agent and Buyers on or prior to such date. From and after such date, each Seller Party shall promptly reimburse Agent for all expenses as the same are incurred by Agent and/or Buyers and within [\*\*\*] of the receipt of invoices therefor.

(g) Further Assurances. Each Seller Party shall execute and deliver to Agent all further documents, financing statements, agreements and instruments, and take all further action that may be required under applicable law, or that Agent may reasonably request, in order to effectuate the transactions contemplated by this Agreement and the Facility Documents or, without

limiting any of the foregoing, to grant, preserve, protect and perfect the validity and first-priority of the security interests created or intended to be created hereby. Each Seller Party shall do all things necessary to preserve the Repurchase Assets so that they remain subject to a first priority perfected security interest hereunder. Without limiting the foregoing, each Seller Party will comply with all rules, regulations, and other laws of any Governmental Authority and cause the Repurchase Assets to comply with all applicable rules, regulations and other laws. Each Seller Party will not allow any default for which such Seller Party is responsible to occur under any Repurchase Assets or any Facility Document and each Seller Party shall fully perform or cause to be performed when due all of its obligations under any Repurchase Assets or the Facility Documents.

(h) True and Correct Information. All information, reports, exhibits, schedules, financial statements or certificates of any Seller Party or any of its Affiliates thereof or any of their officers furnished to Agent and/or Buyers hereunder and during Agent and/or Buyers' diligence of each Seller Party are and will be true and complete and will not omit to disclose any material facts necessary to make the statements therein or therein, in light of the circumstances in which they are made, not misleading. All required financial statements, information and reports delivered by each Seller Party to Agent and/or Buyers pursuant to this Agreement shall be prepared in accordance with GAAP, or in connection with SEC filings, if any, the appropriate SEC accounting requirements.

(i) ERISA Events.

(i) Promptly upon becoming aware of the occurrence of any Event of ERISA Termination which together with all other Events of ERISA Termination occurring within the prior [\*\*\*] involve a payment of money by or a potential aggregate liability of any of the Seller Parties or any ERISA Affiliate thereof or any combination of such entities in excess of [\*\*\*], such Seller Party shall give Agent a written notice specifying the nature thereof, what action any Seller Party or any ERISA Affiliate thereof has taken and, when known, any action taken or threatened by the IRS, the U.S. Department of Labor or the PBGC with respect thereto.

(ii) Promptly upon receipt thereof, each Seller Party shall furnish to Agent copies of all (i) notices received by such Seller Party or any ERISA Affiliate thereof of the PBGC's intent to terminate any Plan or to have a trustee appointed to administer any Plan; (ii) notices received by such Seller Party or any ERISA Affiliate thereof from the sponsor of a Multiemployer Plan pursuant to Section 4202 of ERISA involving a withdrawal liability in excess of [\*\*\*]; and (iii) funding waiver requests filed by any Seller Party or any ERISA Affiliate thereof with the IRS with respect to any Plan, the accrued benefits of which exceed the present value of the plan assets as of the date the waiver request is filed by more than [\*\*\*], and all communications received by any Seller Party or any ERISA Affiliate thereof from the IRS with respect to any such funding waiver request.

(j) Financial Condition Covenants. Seller shall comply with the financial covenants set forth in the Pricing Side Letter.

(k) No Adverse Selection. Seller shall not select Eligible Mortgage Loans to be sold to Agent for the benefit of Buyers as Purchased Assets using any type of adverse selection or other selection criteria which would adversely affect Agent and/or Buyers.

(l) Insurance. Seller shall cause Finance of America Reverse LLC to maintain Fidelity Insurance in an aggregate amount at least equal to [\*\*\*] or such other amount as required by the Agencies. Seller shall continue to maintain Fidelity Insurance in respect of its officers, employees and agents, with respect to any claims made in connection with all or any portion of the Repurchase Assets. Seller shall notify Agent of any material change in the terms of any such Fidelity Insurance.

(m) Books and Records. Seller shall, to the extent practicable, maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Repurchase Assets in the event of the destruction of the originals thereof), and keep and maintain or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all Repurchase Assets and Eligible Mortgage Loans.

(n) Illegal Activities. No Seller Party shall engage in any conduct or activity that could subject its assets to forfeiture or seizure.

(o) Material Change in Business. No Seller Party shall make any material change in the nature of its business as carried on at the date hereof.

(p) Limitation on Dividends and Distributions. Following the occurrence and during the continuation of an Event of Default or if an Event of Default would result therefrom, Seller shall not make any payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any equity interest of Seller, whether now or hereafter outstanding, or make any other distribution or dividend in respect of any of the foregoing or to any shareholder or equity owner of Seller, either directly or indirectly, whether in cash or property or in obligations of Seller or any of Seller's consolidated Subsidiaries. For the avoidance of doubt, prior to the occurrence and continuance of an Event of Default hereunder, and to the extent that an Event of Default will not result therefrom, Seller may make distributions to FEAC for the purposes of FEAC satisfying the tax liabilities related to FEAC.

(q) Disposition of Assets; Liens. No Seller Party shall cause any of the Repurchase Assets to be sold, pledged, assigned or transferred, other than in accordance with this Agreement; nor shall any Seller Party create, incur, assume or suffer to exist any mortgage, pledge, Lien, charge or other encumbrance of any nature whatsoever on any of the Repurchase Assets, whether real, personal or mixed, now or hereafter owned, other than Liens in favor of Agent for the benefit of Buyers.

(r) Transactions with Affiliates. No Seller Party shall enter into any transaction, including, without limitation, the purchase, sale, lease or exchange of property or assets or the rendering or accepting of any service with any Seller Party or any Affiliate, unless such transaction is (a) not otherwise prohibited in this Agreement, (b) in the ordinary course of any Seller Party's business and (c) upon fair and reasonable terms no less favorable to any Seller Party, as the case may be, than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate.

(s) ERISA Matters.

(i) No Seller Party shall permit any event or condition which is described in any of clauses (i) through (viii) of the definition of “Event of ERISA Termination” to occur or exist with respect to any Plan or Multiemployer Plan if such event or condition, together with all other events or conditions described in the definition of Event of ERISA Termination occurring within the prior [\*\*\*], involves the payment of money by or an incurrence of liability of any of the Seller Parties or any ERISA Affiliate thereof, or any combination of such entities in an amount in excess of [\*\*\*].

(ii) No Seller Party shall be an employee benefit plan as defined in Section 3 of Title I of ERISA, or a plan described in Section 4975(c)(1) of the Code and no Seller Party shall use “plan assets” within the meaning of 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA, to engage in this Agreement or the Transactions hereunder and transactions by or with any Seller Party are not subject to any state or local statute regulating investments of, or fiduciary obligations with respect to governmental plans within the meaning of Section 3(32) of ERISA.

(t) Consolidations, Mergers and Sales of Assets No Seller Party shall (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer all or substantially all of its assets to any other Person.

(u) Facility Documents. No Seller Party shall permit the amendment or modification of, the waiver of any event of default under, or the termination of any Facility Document without Agent’s prior written consent. No Seller Party shall waive (or direct the waiver of) the performance by any party to any Facility Document of any action, if the failure to perform such action would adversely affect such Seller Party, any Purchased Assets, Mortgage Loans, Contributed REO Properties or Repurchase Assets in any material respect, nor has any such Person waived (or has directed the waiver of) any default resulting from any action or inaction by any party.

(v) Agency Matters.

(i) Seller shall be approved by Ginnie Mae as an approved issuer in good standing (such collective approvals and conditions, Agency Approvals”), with no event having occurred or Seller having any reason whatsoever to believe or suspect will occur, including without limitation a change in insurance coverage, which would either make Seller or Servicer, as applicable, unable to comply with the eligibility requirements for maintaining all such Agency Approvals or require notification to Ginnie Mae or, to HUD. Should Seller or Servicer, as applicable, for any reason, cease to possess all such Agency Approvals, or should notification to Ginnie Mae or, to HUD be required, Seller shall so notify Agent promptly in writing. Notwithstanding the preceding sentence, Seller shall take all necessary action to maintain all of its Agency Approvals at all times during the term of this Agreement and each outstanding Transaction. Servicer shall service all Mortgage Loans in accordance with the FHA Regulations, as applicable.

(ii) The Servicer shall maintain all Agency Approvals. Servicer has adequate financial standing, servicing facilities, procedures and experienced personnel necessary for the sound servicing of mortgage loans of the same types as may from time to time constitute Mortgage Loans and in accordance with Accepted Servicing Practices.

(iii) Should Servicer, for any reason, cease to possess all such Agency Approvals, or should notification to Ginnie Mae or, to HUD or FHA be required with respect to any non-compliance or breach, Seller shall so notify Agent immediately in writing upon notice or knowledge thereof. Notwithstanding the preceding sentence, Servicer shall take all necessary action to maintain all of its Agency Approvals at all times during the term of this Agreement and each outstanding Transaction. Servicer shall service all Mortgage Loans in accordance with the FHA Regulations.

(w) HUD Matters. With respect to each FHA Loan, to the extent Seller is not designated as mortgagee of record, Seller shall, at Agent's request, cause Servicer to designate Seller as mortgagee of record on the FHA Connect system under mortgagee number as specified in the applicable Servicer Notice, and shall cause Servicer to submit all claims to HUD under such applicable number for remittance of amounts to the Collection Account.

(x) Underwriting Guidelines. The Underwriting Guidelines shall not be materially amended without the written consent of Agent, which may be granted or withheld in its sole discretion.

(y) Pooled Loans. Seller shall deliver to Agent prior written notice of a Take-Out Commitment of Pooled Loans with the Agency and shall, simultaneously, request a release of the Asset Files related to such Pooled Loans from the Custodian pursuant to a bailee agreement in form and substance acceptable to Agent. If Agent shall determine that a bailee arrangement satisfactory to Agent has been established, Agent shall execute and deliver to Custodian a HUD Form 11711-A with respect to such Pooled Loans. Seller (i) shall submit copies of the relevant Pooling Documents (the originals of which shall have been delivered to the Agency) as Agent may request from time to time, and (ii) shall arrange that all payments under the related Take-out Commitment with respect to such Pooled Loans shall be paid directly to Agent at the Securities Account. With respect to any Take-out Commitment with the Agency, the applicable Pooling Documents shall list the securities intermediary set forth in the Joint Securities Account Control Agreement or such other party approved by Agent in its sole discretion as sole subscriber, unless otherwise agreed to in writing by Agent, in Agent's sole discretion, and the related Ginnie Mae Security shall be delivered to the Securities Account, subject to the Joint Securities Account Control Agreement.

(z) MERS Notice. Upon Seller's receipt of a MERS Notice, Seller shall use its best efforts to promptly execute and deliver an Electronic Tracking Agreement to Agent in form and substance reasonably acceptable to Agent and MERS.

(aa) No Division/Series Transactions. Notwithstanding anything to the contrary contained in this Agreement or any other Facility Document, (i) if any Seller Party is a limited liability company organized under the laws of the State of Delaware, such Seller Party shall not enter into (or agree to enter into) any Division/Series Transaction, or permit any of its Subsidiaries to enter into (or agree to enter into), any Division/Series Transaction and (ii) none of the provisions in this Agreement nor any other Facility Document, shall be deemed to permit any Seller Party or any of its respective Subsidiaries to enter into (or agree to enter into) any Division/Series Transaction.

(bb) Special Purpose Entity. Unless otherwise consented to by the Agent in writing, and except as permitted by the Facility Documents, the REO Subsidiary shall be a Special Purpose Entity that shall (a) own no assets, and will not engage in any business, other than the assets and transactions specifically contemplated by the Facility Documents and sales, purchases, distributions or contributions of assets made in connection with assets that are no longer subject to a Transaction; (b) not incur any Indebtedness or obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than pursuant to the Facility Documents; (c) not make any loans or advances to any Affiliate or third party, and shall not acquire obligations or securities of its Affiliates; (d) pay its debts and liabilities (including, as applicable, shared personnel expenses and overhead expenses) only from its own assets; (e) comply with the provisions of its organizational documents; (f) do all things necessary to observe organizational formalities and to preserve its existence, and not amend, modify or otherwise change its organizational documents, or suffer same to be amended, modified or otherwise changed, without the Agent's prior written consent which shall not be unreasonably withheld; (g) maintain all of its books, records and financial statements separate from those of its Affiliates (except that such financial statements may be consolidated to the extent consolidation is required under GAAP or as a matter of applicable law; provided, that (i) appropriate notation shall be made on such financial statements if prepared to indicate the separateness of the REO Subsidiary from such Affiliate and to indicate that the REO Subsidiary's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person; (ii) such assets shall also be listed on the REO Subsidiary's own separate balance sheet if prepared and (iii) the REO Subsidiary shall file its own tax returns if filed, except to the extent consolidation is required or permitted under applicable law); (h) be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, shall not identify itself or any of its Affiliates as a division or part of the other; (i) not enter into any transactions with any Affiliates except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's length transaction; (j) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities; (k) not engage in or suffer any dissolution, winding up, liquidation, consolidation or merger or transfer all or substantially all of its properties and assets to any Person (except as contemplated herein); (l) not commingle its funds or other assets with those of any Affiliate or any other Person and shall maintain its properties and assets in such manner that it would not be costly or difficult to identify, segregate or ascertain its properties and assets from those of others; (m) not institute against, or join any other Person in instituting against the REO Subsidiary, any proceedings of the type referred to in the definition of "Insolvency Event" hereunder or seek to substantively consolidate the REO Subsidiary in connection with any Insolvency Event with respect to the REO Subsidiary; (n) will not hold itself out to be responsible for the debts or obligations of any other Person; (o) not form, acquire or hold any Subsidiary or own any equity interest in any other entity; and (p) not pledge its assets to secure the obligations of any Person.

Section 14. Events of Default. If any of the following events (each, an “Event of Default”) occurs, Agent shall have the rights set forth in Section 15 hereof, as applicable:

(a) Payment Default. (i) Seller fails to make any payment of Repurchase Price or Margin Deficit, when due, whether by acceleration, mandatory repurchase or otherwise, (ii) Seller fails to make any payment of Price Differential, when due, whether by acceleration, mandatory repurchase or otherwise, and such failure continues for more than [\*\*\*] after notice to Seller or (iii) Seller fails to make any payment (other than Repurchase Price, Price Differential or Margin Deficit), when due, whether by acceleration, mandatory repurchase or otherwise, and such failure continues for more than [\*\*\*] after notice to Seller; or

(b) Immediate Representation and Warranty Default. The failure of any Seller Party to perform, comply with or observe any representation, warranty or certification applicable to such Seller Party contained in any of Sections 12(c) (Solvency); (f)(a) (Existence); (h) (No Breach); (i) (Action); (k) (Enforceability); (l) (Indebtedness); (q) (Margin Regulations); (s) (Investment Company Act); (t) (Purchased Assets); (w) (True and Complete Disclosure); (x) (ERISA); (z) (No Reliance); (aa) (Plan Assets); or (cc) (No Prohibited Persons), in each case, of this Agreement; or

(c) Additional Representation and Warranty Defaults. Any representation, warranty or certification made or deemed made herein or in any other Facility Document (and not identified in Section 14(b) hereof) by any Seller Party or any certificate furnished to Agent and/or Buyers pursuant to the provisions hereof or thereof or any information with respect to the Purchased Assets, Mortgage Loans or Contributed REO Properties furnished in writing by on behalf of a Seller Party shall prove to have been untrue or misleading in any material respect as of the time made or furnished (other than the representations and warranties set forth in Schedules 1-A, 1-B, 1-C and 1-D hereto; unless (A) Seller shall have made any such representations and warranties with actual knowledge that they were materially false or misleading at the time made or (B) any such representations and warranties have been determined in good faith by Agent in its sole discretion to be materially false or misleading on a regular basis); or

(d) Immediate Covenant Default. The failure of any Seller Party to perform, comply with or observe any term, covenant or agreement applicable to such Seller Party contained in any of Sections 13(a)(i) or (ii) (Preservation of Existence; Compliance with Law); (h) (True and Correct Information); (j) (Financial Condition Covenants); (k) (No Adverse Selection); (n) (Illegal Activities); (o) (Material Change in Business); (p) (Limitation on Dividends and Distributions); (q) (Disposition of Assets; Liens); (r) (Transactions with Affiliates); (s) (ERISA Matters); (t) (Consolidations, Mergers and Sales of Assets); (v) (Agency Matters); or (bb) (Special Purpose Entity); or

(e) Additional Covenant Defaults. Any Seller Party shall fail to observe or perform any other covenant or agreement contained in the Facility Documents (and not identified in Section 14(d) hereof), and if such default shall be capable of being remedied, such failure to observe or perform shall continue unremedied beyond [\*\*\*]; or

(f) Judgments. A judgment or judgments for the payment of money in excess of [\*\*\*] with respect to a Seller Party in the aggregate shall be rendered against such Seller Party, by [\*\*\*] or more courts, administrative tribunals or other bodies having jurisdiction and the same shall not be satisfied, discharged (or provision shall not be made for such discharge) or bonded, or a stay of execution thereof shall not be procured, within [\*\*\*] from the date of entry thereof, and such party shall not, within said period of [\*\*\*], or such longer period during which execution of the same shall have been stayed or bonded, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(g) Cross-Default. Any Seller Party shall be in default beyond any applicable grace period under (A) any Indebtedness of such Seller Party which default involves the failure to pay a material matured obligation or permits the acceleration of the maturity of obligations by any other party to or beneficiary with respect to such Indebtedness, which, in each case, has not been waived in writing by Agent, or (B) any other financing, hedging, security or other agreement or contract between such Seller Party on the one hand, and Agent or any of its Affiliates on the other, which in each case, has not been waived in writing by Agent; or

(h) Insolvency Event. An Insolvency Event shall have occurred with respect to any Seller Party; or

(i) Enforceability. For any reason any Facility Document to which a Seller Party is a party at any time shall not to be in full force and effect in all material respects or shall not be enforceable in all material respects in accordance with its terms, or any Person (other than Agent and/or a Buyer) shall contest the validity, enforceability, perfection or priority of any Lien granted pursuant thereto, or any party thereto (other than Agent and/or a Buyer) shall seek to disaffirm, terminate, limit or reduce its obligations under any Facility Document; or

(j) Liens. Any Seller Party shall grant, or suffer to exist, any Lien on any Repurchase Asset (except any Lien in favor of Agent for the benefit of Buyers) or Agent for the benefit of Buyers for any reason ceases to have a valid, first priority security interest in any of the Repurchase Assets; or

(k) Material Adverse Effect. A Material Adverse Effect shall have occurred as determined by Agent in its reasonable discretion, and shall remain uncured for [\*\*\*] after written notice by Agent to Seller of the existence of such Material Adverse Effect; or

(l) Change in Control. A Change in Control shall have occurred without the Agent's prior written consent; or

(m) Inability to Perform. Any Seller Party shall admit its inability to, or its intention not to, perform any of their obligations under the Facility Documents; or

(n) Servicer Termination. A Servicer Termination Event shall have occurred, and Seller fails to appoint and transfer the servicing of the related Purchased Assets to a successor Servicer that is satisfactory to Agent in Agent's good faith discretion within [\*\*\*]; or

(o) Failure to Transfer. Seller fails to transfer the Purchased Assets to Agent for the benefit of Buyers (or with respect to Contributed REO Properties, fails to transfer such Contributed REO Properties to the REO Subsidiary) on or prior to the applicable Purchase Date; or

(p) Government Action. Any Governmental Authority or any person, agency or entity acting or purporting to act under Governmental Authority shall have received any judicial or administrative order permitting such Governmental Authority to take any action that is reasonably likely to result in a condemnation, seizure or appropriation, or assumption of custody or control of, all or any substantial part of the Property of any Seller Party, or shall have taken any action to displace the management of any Seller Party or to materially curtail its authority in the conduct of the business of any Seller Party, or takes any action in the nature of enforcement to remove, limit or restrict the approval of any Seller Party as an issuer, buyer or a seller of Mortgage Loans, Contributed REO Properties or securities backed thereby, and such action shall not have been discontinued or stayed within [\*\*\*]; or

(q) Assignment. Assignment or attempted assignment by any Seller Party of this Agreement or any other Facility Document or any rights hereunder or thereunder without first obtaining the specific written consent of Agent; or

(r) Reasonable Assurances. Agent and/or Buyers shall reasonably request, specifying the reasons for such request, reasonable information, and/or written responses to such requests, regarding the financial well-being of any Seller Party (including but not limited to any information regarding any repurchase and indemnity requests or demands made upon any Seller Party by any third party investors) and such reasonable information and/or responses shall not have been provided within [\*\*\*] of such request; or

(s) Information. Agent and/or Buyers shall reasonably request, specifying the reasons for such request, reasonable information, and/or written responses to such requests, regarding the financial well-being of any Seller Party (including, but not limited to, any information regarding any repurchase and indemnity requests or demands made upon such Seller Party or any of its Subsidiaries by any third-party investors) and such reasonable information and/or responses shall not have been provided within [\*\*\*] of such request; or

(t) Ginnie Mae Waiver. Seller shall not be in compliance with a Ginnie Mae capital requirement and Seller shall not have received a waiver of such default from Ginnie Mae in form and substance acceptable to Agent in its reasonable discretion; or

(u) Margin Deficit. Seller shall have failed to cure a Margin Deficit in accordance with Section 4 hereof.

#### Section 15. Remedies.

(a) If an Event of Default occurs, the following rights and remedies are available to Agent on behalf of Buyers provided, that an Event of Default shall be deemed to be continuing unless expressly waived by Agent in writing:

(i) At the option of Agent, exercised by written notice to the Seller Parties (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Insolvency Event of any Seller Party), the Repurchase Date for each Transaction hereunder, if it has not already occurred, shall be deemed immediately to occur (the date on which such option is exercised or deemed to have been exercised being referred to hereinafter as the "Accelerated Repurchase Date").

(ii) If Agent exercises or is deemed to have exercised the option referred to in Section 15(a)(i) hereof,

(A) Seller's obligations in such Transactions to repurchase all Purchased Assets, at the Repurchase Price therefor on the Repurchase Date determined in accordance with Section 15(a)(i) hereof, (1) shall thereupon become immediately due and payable, (2) all Income paid after such exercise or deemed exercise shall be retained by Agent and applied to the Aggregate Unpaid Repurchase Price and any other amounts owed by Seller hereunder, and (3) Seller shall immediately deliver to Agent any Purchased Assets and Contributed REO Properties subject to such Transactions then in Seller's possession or control, including Mortgage Loans and Contributed REO Properties; and

(B) to the extent permitted by applicable law, the Repurchase Price with respect to each such Transaction (determined as of the Accelerated Repurchase Date) shall be increased by the aggregate amount obtained by daily application of, on a 360-day per year basis for the actual number of days during the period from and including the date of the exercise or deemed exercise of such option to but excluding the date of payment of the Repurchase Price as so increased, (x) the Post-Default Rate in effect following an Event of Default to (y) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to Section 15(a)(i) hereof.

(iii) Upon the occurrence of one (1) or more Events of Default, Agent shall have the right to obtain physical possession of all files of each Seller Party relating to the Purchased Assets, Mortgage Loans, Contributed REO Properties and Repurchase Assets and all documents relating to the Purchased Assets, Mortgage Loans and Contributed REO Properties and the Repurchase Assets related thereto which are then or may thereafter come in to the possession of any Seller Party or any third party acting for such Seller Party and each Seller Party shall deliver to Agent such assignments as Agent shall request. Agent shall be entitled to specific performance of all agreements of any Seller Party contained in Facility Documents.

(iv) Upon the occurrence and continuance of an Event of Default, Agent, or Agent through its Affiliates or designees, may (A) immediately sell, at a public or private sale at such price or prices as Agent may reasonably deem satisfactory any or all of the Purchased Assets and Repurchase Assets or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Assets and Repurchase Assets, to retain such Purchased Assets and Repurchase Assets for the benefit of Buyers and give Seller credit for such Purchased Assets and Repurchase Assets in an amount equal to the Market Value of the related Mortgage Loans, Contributed REO Properties, Purchased Assets or Repurchase Assets (as determined and adjusted by the Agent in its sole discretion, giving such weight to the BPO Value or outstanding principal balance of such Mortgage Loans, Contributed

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REO Properties, or Purchased Assets as Agent deems appropriate) against the Aggregate Unpaid Repurchase Price for such Purchased Assets and any other amounts owing by Seller under the Transaction Documents. The proceeds of any disposition of Purchased Assets and Repurchase Assets effected pursuant to the foregoing shall be applied as determined by Agent.

(v) Seller shall be liable to Agent and Buyers for (A) the amount of all actual expenses, including reasonable documented legal fees and expenses, actually incurred by Agent and Buyers in connection with or as a consequence of an Event of Default, (B) all actual costs incurred in connection with covering transactions or hedging transactions, and (C) any other actual loss, damage, cost or expense arising or resulting from the occurrence and continuance of an Event of Default.

(b) The Seller Parties acknowledge and agree that (A) in the absence of a generally recognized source for prices or bid or offer quotations for any Purchased Assets and Repurchase Assets, the Agent may establish the source therefor in its sole discretion and (B) all prices, bids and offers shall be determined together with accrued Income. The Seller Parties recognize that it may not be possible to purchase or sell all of the Purchased Assets and Repurchase Assets on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for such Purchased Assets and Repurchase Assets may not be liquid at such time. In view of the nature of the Purchased Assets and Repurchase Assets, the Seller Parties agree that liquidation of a Transaction or the Purchased Assets and Repurchase Assets does not require a public purchase or sale and that a good faith private purchase or sale shall be deemed to have been made in a commercially reasonable manner. Accordingly, Agent may elect, in its sole good faith discretion, the time and manner of liquidating any Purchased Assets and Repurchase Assets, and nothing contained herein shall (A) obligate Agent to liquidate any Purchased Assets and Repurchase Assets on the occurrence and during the continuance of an Event of Default or to liquidate all of the Purchased Assets and Repurchase Assets in the same manner or on the same Business Day or (B) constitute a waiver of any right or remedy of any Buyer. A Buyer may exercise one (1) or more of the remedies available hereunder immediately upon the occurrence and continuance of an Event of Default and at any time thereafter without notice to any Seller Party. All rights and remedies arising under this Agreement as amended from time to time hereunder are cumulative and not exclusive of any other rights or remedies which Buyers may have.

(c) Agent may enforce its and each Buyer's rights and remedies hereunder without prior judicial process or hearing, and each Seller Party hereby expressly waives any defenses such Seller Party might otherwise have to require Agent to enforce its rights by judicial process. Each Seller Party also waives any defense (other than a defense of payment or performance) such Seller Party might otherwise have arising from the use of nonjudicial process, enforcement and sale of all or any portion of the Repurchase Assets, or from any other election of remedies. Each Seller Party recognizes that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's length.

(d) Without limiting the rights of Agent hereto to pursue all other legal and equitable rights available to Agent for any Seller Party's failure to perform its obligations under this Agreement, each Seller Party acknowledges and agrees that the remedy at law for any failure to perform obligations hereunder would be inadequate and Agent shall be entitled to specific performance, injunctive relief, or other equitable remedies in the event of any such failure. The availability of these remedies shall not prohibit Agent from pursuing any other remedies for such breach, including the recovery of monetary damages.

(e) Agent shall have, in addition to its rights and remedies under the Facility Documents, all of the rights and remedies provided by applicable federal, state, foreign, and local laws (including, without limitation, if the Transactions are recharacterized as secured financings, the rights and remedies of a secured party under the UCC of the State of New York, to the extent that the UCC is applicable, and the right to offset any mutual debt and claim), in equity, and under any other agreement among Agent, Buyers and any Seller Party. Without limiting the generality of the foregoing, Agent and Buyers shall be entitled to set off the proceeds of the liquidation of the Purchased Assets and Repurchase Assets against all of Seller Parties' obligations to Agent or any Buyer, whether or not such obligations are then due, without prejudice to Agent's or such Buyer's, as applicable, right to recover any deficiency.

#### Section 16. Indemnification and Expenses.

(a) Seller agrees to hold Agent and each Buyer, and their respective Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") harmless from and indemnify any Indemnified Party against all liabilities, losses, damages, judgments, costs and expenses of any kind (including reasonable fees of counsel, and Taxes relating to or arising in connection with the ownership of the Purchased Assets or the indirect ownership of the Contributed REO Properties, but excluding any Taxes otherwise addressed in Section 7 hereof) which may be imposed on, incurred by or asserted against such Indemnified Party (collectively, "Costs"), relating to or arising out of this Agreement, any other Facility Document or any transaction contemplated hereby or thereby, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, any other Facility Document or any transaction contemplated hereby or thereby (including, without limitation, any wire fraud or data or systems intrusions which causes Agent or Buyers to incur any such Costs), that, in each case, results from anything other than an Indemnified Party's gross negligence or willful misconduct. For the avoidance of doubt "Costs" shall include Taxes that represent losses, damages, claims, costs and expenses arising from any non-Tax claim. Without limiting the generality of the foregoing, Seller agrees to hold any Indemnified Party harmless from and indemnify such Indemnified Party against all Costs with respect to all Purchased Assets, including Contributed REO Properties, that, in each case, results from anything other than an Indemnified Party's gross negligence or willful misconduct. In any suit, proceeding or action brought by an Indemnified Party in connection with any Purchased Assets for any sum owing thereunder, or to enforce any provisions of any Purchased Assets, Seller will save, indemnify and hold such Indemnified Party harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from Seller. Seller also agrees to reimburse an Indemnified Party as and when billed by such Indemnified Party for all the Indemnified Party's costs and expenses incurred in connection with the enforcement or the preservation of such Indemnified Party's rights under this Agreement, any other Facility Document or any transaction contemplated hereby or thereby, including without limitation the reasonable fees and disbursements of its counsel. This Section 16(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(b) Seller agrees to pay as and when billed by Agent all of the out-of-pocket costs and expenses incurred by Agent and Buyers in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, any other Facility Document or any other documents prepared in connection herewith or therewith. Seller agrees to pay as and when billed by Agent all of the costs and expenses incurred in connection with the consummation and administration of the transactions contemplated hereby and thereby including without limitation filing fees and all the fees, disbursements and expenses of counsel to Agent and Buyers which amount shall be deducted from the Purchase Price paid for the first Transaction hereunder. Subject to the limitations set forth in Section 3Q hereof, Seller agrees to pay Agent all the due diligence, inspection, testing and review costs and expenses incurred by Agent and Buyers with respect to Mortgage Loans or Contributed REO Properties submitted by Seller for purchase under this Agreement, including, but not limited to, those out-of-pocket costs and expenses incurred by Agent and Buyers pursuant to Section 19 hereof and the reasonable fees and expenses of the Payment Agent.

(c) The obligations of Seller from time to time to pay the Repurchase Price, the Price Differential, and all other amounts due under this Agreement shall be full recourse obligations of Seller.

Section 17. Servicing.

(a) Seller Parties, on Agent's behalf, shall contract with one (1) or more Servicers to service the Mortgage Loans and Contributed REO Properties consistent with the degree of skill and care that such Servicers customarily require with respect to similar Mortgage Loans and Contributed REO Properties owned or managed by such Servicers and in accordance with Accepted Servicing Practices. The Servicer shall (i) comply with all applicable federal, state and local laws and regulations, (ii) maintain all state and federal licenses necessary for it to perform its servicing responsibilities hereunder and (iii) not impair the rights of Agent or any Buyer in any Mortgage Loans, Contributed REO Properties or any payment thereunder. Agent may terminate the servicing of any Mortgage Loan or Contributed REO Property with the then existing servicer in accordance with Section 17(e) hereof. The Servicing Agreement shall not be materially amended without the written consent of Agent, which may be granted or withheld in its sole discretion; provided that the Seller shall provide the Agent with written notice of any amendment of the Servicing Agreement, including a copy of such amendment.

(b) Reserved.

(c) Seller Parties shall cause the Servicer and any interim servicer to deposit all collections received by Seller on account of the Purchased Assets in the Collection Account in accordance with the provisions of Section 5(b).

(d) Seller shall provide promptly to Agent a Servicer Notice addressed to and agreed to by the Servicer of the related Mortgage Loans and Contributed REO Properties, advising such Servicer of such matters as Agent may reasonably request, including, without limitation, recognition by the Servicer of Agent's interest in such Mortgage Loans and Contributed REO Properties and the Servicer's agreement that upon receipt of notice of an Event of Default from Agent, it will follow the instructions of Agent with respect to the Mortgage Loans and Contributed REO Properties and any related Income with respect thereto.

(e) Upon the occurrence and continuance of a Default or Event of Default hereunder or a material default under the Servicing Agreement, Agent and Buyers shall have the right to immediately terminate the Servicer's right to service the Mortgage Loans and Contributed REO Properties without payment of any penalty or termination fee. Seller shall cooperate in transferring the servicing of the Mortgage Loans and Contributed REO Properties to a successor servicer appointed by Agent in its sole discretion.

(f) If any Seller Party should discover that, for any reason whatsoever, any entity responsible to a Seller Party by contract for managing or servicing any such Mortgage Loan or Contributed REO Property has failed to perform fully such Seller Party's obligations under the Facility Documents or any of the obligations of such entities with respect to the Mortgage Loans or Contributed REO Properties, such Seller Party shall promptly notify Agent.

Section 18. Recording of Communications. Agent, each Buyer and Seller Parties shall have the right (but not the obligation) from time to time to make or cause to be made tape recordings of communications between its employees and those of the other parties with respect to Transactions upon notice to the other parties of such recording.

Section 19. Due Diligence. Each Seller Party acknowledges that Agent and each Buyer has the right to perform continuing due diligence reviews with respect to the Purchased Assets, Mortgage Loans and Contributed REO Properties, Seller Parties and Servicer, including, without limitation, financial information, organization documents, business plans, purchase agreements and underwriting purchase models for each pool of Purchased Assets, Mortgage Loans and Contributed REO Properties, for purposes of verifying compliance with the representations, warranties and specifications made hereunder, or otherwise, and each Seller Party agrees that (a) upon reasonable prior notice to such Seller Party, unless an Event of Default shall have occurred and be continuing, in which case no notice is required, Agent, each Buyer or their respective authorized representatives will be permitted during normal business hours to examine, inspect, and make copies and extracts of the Asset Files and any and all documents, records, agreements, instruments or information relating to such Purchased Assets, Mortgage Loans and Contributed REO Properties (the "Due Diligence Documents") in the possession or under the control of Seller and/or the Custodian, or (b) upon request, Seller Parties shall create and deliver to Agent within [\*\*\*] of such request, an electronic copy via email to [\*\*\*], in a format acceptable to Agent, of such Due Diligence Documents as Agent may request. The Seller Parties also shall make available to Agent and Buyers a knowledgeable financial or accounting officer for the purpose of answering questions respecting the Asset Files and the Purchased Assets, Mortgage Loans and Contributed REO Properties. Without limiting the generality of the foregoing, each Seller Party acknowledges that Agent on behalf of Buyers may purchase Purchased Assets from Seller and enter into additional Transactions with respect to the Mortgage Loans and Contributed REO Properties based solely upon the information provided by Seller to Agent in the Asset Schedule and the representations, warranties and covenants contained herein, and that Agent and/or any Buyer, at

its option, has the right at any time to conduct a partial or complete due diligence review on some or all of the Purchased Assets, Mortgage Loans and Contributed REO Properties purchased in a Transaction, including, without limitation, ordering broker's price opinions, new credit reports and new appraisals on the related Mortgaged Properties with respect to the Mortgage Loans and Contributed REO Properties and otherwise re-generating the information used to originate such Purchased Assets, Mortgage Loans and Contributed REO Properties. Agent and/or Buyers may underwrite such Purchased Assets, Mortgage Loans and Contributed REO Properties themselves or engage a mutually agreed upon third party underwriter to perform such underwriting. Each Seller Party agrees to cooperate with Buyer and any third party underwriter in connection with such underwriting, including, but not limited to, providing Agent, each Buyer and any third party underwriter with access to any and all documents, records, agreements, instruments or information relating to such Mortgage Loans and Contributed REO Properties in the possession, or under the control, of such Seller Party. Seller further agrees that Seller shall pay all out-of-pocket costs and expenses incurred by Agent and each Buyer in connection with Agent's and each Buyer's activities pursuant to this Section 19. Agent and each Buyer may, based on such due diligence, require to change contractual terms and add protections it deems, in its absolute discretion, necessary to protect its rights in the Mortgage Loans and Contributed REO Properties.

Section 20. Assignability.

(a) The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by the Seller Parties without the prior written consent of Agent on behalf of Buyers. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. Nothing in this Agreement express or implied, shall give to any Person, other than the parties to this Agreement and their successors hereunder, any benefit of any legal or equitable right, power, remedy or claim under this Agreement. Each Buyer may, upon at least [\*\*\*] notice to Seller, from time to time assign all or a portion of its rights and obligations under this Agreement and the Facility Documents to any Person pursuant to an executed assignment and acceptance by such Buyer and assignee ("Assignment and Acceptance"), specifying the percentage or portion of such rights and obligations assigned. Upon such assignment, (a) such assignee shall be a party hereto and to each Facility Document to the extent of the percentage or portion set forth in the Assignment and Acceptance, and shall succeed to the applicable rights and obligations of such Buyer hereunder, and (b) such Buyer shall, to the extent that such rights and obligations have been so assigned by it be released from its obligations hereunder and under the Facility Documents. Unless otherwise stated in the Assignment and Acceptance, the Seller Parties shall continue to take directions solely from Agent unless otherwise notified by Agent in writing. A Buyer may distribute to any prospective assignee any document or other information delivered to such Buyer by the Seller Parties.

(b) Buyer, upon at least [\*\*\*] notice to Seller Parties, may sell participations to one (1) or more Persons in or to all or a portion of its rights and obligations under this Agreement to any Person; provided, however, that (i) such Buyer's obligations under this Agreement shall remain unchanged, (ii) such Buyer shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) Seller Parties shall continue to deal solely and directly with Agent on behalf of such Buyer in connection with such Buyer's rights and obligations under this Agreement and the other Facility Documents except as provided in Section 7; provided

that no such restrictions shall apply with respect to any sale to any Affiliate of such Buyer or if an Event of Default has occurred and is continuing; and provided, further, that such Buyer shall act as agent for all purchasers, assignees and point of contact for Seller pursuant to agency provisions to be agreed upon by such Buyer, its intended purchasers and/or assignees and Seller.

(c) In the event that any Buyer assigns all or a portion of its rights and obligations under this Agreement, the parties hereto agree to negotiate in good faith an amendment to this Agreement to add agency provisions similar to those included in repurchase agreements for similar syndicated repurchase facilities.

Section 21. Transfer and Maintenance of Register.

(a) Subject to acceptance and recording thereof pursuant to Section 21(b) hereof, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of the applicable Buyer under this Agreement. Any assignment or transfer by a Buyer of rights or obligations under this Agreement that does not comply with this Section 21 shall be treated for purposes of this Agreement as a sale by such Buyer of a participation in such rights and obligations in accordance with Section 21(b) hereof.

(b) Seller shall maintain a register (the "Register") on which it will record each Buyer's rights hereunder, and each Assignment and Acceptance and participation. The Register shall include the names and addresses of each Buyer (including all assignees, successors and participants) and the percentage or portion of such rights and obligations assigned or participated. Failure to make any such recordation, or any error in such recordation shall not affect any Seller Party's obligations in respect of such rights. If Agent or a Buyer sells a participation in any Buyer's rights hereunder, it shall provide Seller, or maintain as agent of Seller, the information described in this Section 21(b) and permit Seller to review such information as reasonably needed for Seller to comply with its obligations under this Agreement or under any applicable Requirement of Law.

Section 22. Tax Treatment. Each party to this Agreement acknowledges that it is its intent for purposes of U.S. federal, state and local income and franchise taxes, to treat each Transaction as indebtedness of Seller that is secured by the Purchased Assets and that the Purchased Assets are owned by Seller in the absence of a Default by Seller. All parties to this Agreement agree to such treatment and agree to take no action inconsistent with this treatment, unless required by law.

Section 23. Set-Off.

(a) In addition to any rights and remedies of Agent and any Buyer hereunder and by law, Agent and Buyers shall have the right, without prior notice to the Seller Parties, any such notice being expressly waived by the Seller Parties to the extent permitted by applicable law to set-off and appropriate and apply against any obligation from the Seller Parties to Agent, any Buyers or any of their respective Affiliates any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other obligation (including to return excess margin), credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by or due from Agent, any Buyer

or any Affiliate thereof to or for the credit or the account of the Seller Parties. Agent and each Buyer agrees promptly to notify the Seller Parties (and, in the case of a notice being provided by a Buyer, Agent) after any such set-off and application made by Agent or such Buyer; provided that, in any case, the failure to give such notice shall not affect the validity of such set-off and application.

(b) Agent shall at any time have the right, in each case until such time as Agent determines otherwise, to retain, to suspend payment or performance of, or to decline to remit, any amount or property that Agent or any Buyer would otherwise be obligated to pay, remit or deliver to any Seller Party hereunder if an Event of Default has occurred and is continuing.

Section 24. Terminability. Each representation and warranty made or deemed to be made by entering into a Transaction, herein or pursuant hereto shall survive the making of such representation and warranty, and neither Agent nor any Buyer shall be deemed to have waived any Default that may arise because any such representation or warranty shall have proved to be false or misleading, notwithstanding that Agent or such Buyer may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time the Transaction was made. The obligations of Seller under Section 16 hereof shall survive the termination of this Agreement.

Section 25. Notices and Other Communications. Except as otherwise expressly permitted by this Agreement, all notices, requests and other communications provided for herein (including without limitation any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including without limitation by electronic mail, telecopy or other electronic delivery) delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof or thereof); or, as to any party, at such other address as shall be designated by such party in a written notice to each other party. Except as otherwise provided in this Agreement and except for notices given under Section 3 (which shall be effective only on receipt), all such communications shall be deemed to have been duly given when transmitted by electronic mail, telecopy or other electronic delivery or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid. In all cases, to the extent that the related individual set forth in the respective "Attention" line is no longer employed by the respective Person, such notice may be given to the attention of a Responsible Officer of the respective Person or to the attention of such individual or individuals as subsequently notified in writing by a Responsible Officer of the respective Person.

Section 26. Entire Agreement; Severability; Single Agreement.

(a) This Agreement, together with the Facility Documents, constitute the entire understanding among the parties hereto with respect to the subject matter they cover and shall supersede any existing agreements among the parties containing general terms and conditions for repurchase transactions involving Purchased Assets. By acceptance of this Agreement, each party hereto acknowledges that it has not made, and is not relying upon, any statements, representations, promises or undertakings not contained in this Agreement. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

(b) Each party hereto acknowledges that, and has entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and that each has been entered into in consideration of the other Transactions. Accordingly, each party hereto agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transaction hereunder; (iii) that payments, deliveries, and other transfers made by any of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries, and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries, and other transfers may be applied against each other and netted, and (iv) to promptly provide notice to the others after any such set off or application.

Section 27. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF, OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH SHALL GOVERN.

Section 28. SUBMISSION TO JURISDICTION; WAIVERS. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) **SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND THE OTHER FACILITY DOCUMENTS, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;**

(b) **CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;**

(c) **AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO ITS ADDRESS SET FORTH UNDER ITS SIGNATURE BELOW OR AT SUCH OTHER ADDRESS OF WHICH BUYER SHALL HAVE BEEN NOTIFIED;**

(d) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION; AND

(e) WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER FACILITY DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 29. No Waivers, et cetera. No failure on the part of Agent to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Facility Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Facility Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. An Event of Default shall be deemed to be continuing unless expressly waived by Agent in writing.

Section 30. Netting. If Agent, any Buyer and any Seller Party are “financial institutions” as now or hereinafter defined in Section 4402 and any rules or regulations promulgated thereunder,

(a) All amounts to be paid or advanced by one party to or on behalf of the other under this Agreement or any Transaction hereunder shall be deemed to be “payment obligations” and all amounts to be received by or on behalf of one party from the other under this Agreement or any Transaction hereunder shall be deemed to be “payment entitlements” within the meaning of Section 4402, and this Agreement shall be deemed to be a “netting contract” as defined in Section 4402.

(b) The payment obligations and the payment entitlements of the parties hereto pursuant to this Agreement and any Transaction hereunder shall be netted as follows. In the event that either party (the “Defaulting Party”) shall fail to honor any payment obligation under this Agreement or any Transaction hereunder, the other party (the “Nondefaulting Party”) shall be entitled to reduce the amount of any payment to be made by the Nondefaulting Party to the Defaulting Party by the amount of the payment obligation that the Defaulting Party failed to honor.

Section 31. Confidentiality.

(a) Agent, each Buyer and each Seller Party hereby acknowledge and agree that all written or computer-readable information provided by one party to any other regarding the terms set forth in any of the Facility Documents or the Transactions contemplated thereby (the “Confidential Terms”) shall be kept confidential and shall not be divulged to any party without the prior written consent of such other party except to the extent that (i) it is disclosed to its Affiliates, and its and their employees, directors, officers, advisors (including legal counsel, accountants and auditors), representatives and service providers, or taxing authorities (the “Representatives”), (ii) it is requested or required by governmental agencies, regulatory bodies or other legal, governmental or regulatory process, (iii) any of the Confidential Terms are in the public domain

other than due to a breach of this covenant, (iv) an Event of a Default has occurred and Agent or any Buyer determines such information to be necessary or desirable to disclose in connection with the managing, marketing or sales of the Purchased Assets or otherwise to enforce or exercise Agent's or any Buyer's rights hereunder or under any Facility Document, (v) Agent or any Buyer determines in good faith that such information is necessary or desirable to disclose in connection with any transaction or potential transaction involving any assignment, participation, potential assignment, potential participation or rehypothecations in accordance with Section 10 or 20 hereof or any other financing source or provider to any Buyer or any successor thereto (including any potential assignees or purchasers from such party) or to their respective Representatives; provided that in the case of clause (v) above, Agent and/or Buyers, as applicable, shall execute a confidentiality agreement with any such Person with restrictions on the disclosure of Confidential Terms at least as restrictive as set forth herein, prior to disclosure of any such Confidential Terms; except that such requirement shall not apply to Representatives that are subject to duty of confidentiality with respect to the Confidential Terms by law, rules of professional conduct, or contract. Each Seller Party, each Buyer and Agent shall be responsible for any breach of the terms of this Section 31(a) by any Person that it discloses Confidential Terms to pursuant to clause (i) above. No Seller Party shall, without the written consent of Agent, and neither Agent nor any Buyer shall, without the written consent of Seller Parties, make any communication, press release, public announcement or statement in any way connected to the existence or terms of this Agreement or the other Facility Documents or the Transactions contemplated hereby or thereby, except where such communication or announcement is required by law or regulation, in which event such Seller Party will consult and cooperate with Agent, or Agent or such Buyer shall cooperate with Seller Parties, with respect to the wording of any such announcement. Notwithstanding the foregoing or anything to the contrary contained herein or in any other Facility Document, the parties hereto may disclose to any and all Persons, without limitation of any kind, the federal, state and local tax treatment of the Transactions, any fact relevant to understanding the federal, state and local tax treatment of the Transactions, and all materials of any kind (including opinions or other tax analyses) relating to such federal, state and local tax treatment and that may be relevant to understanding such tax treatment; provided that no Seller Party may disclose the name of or identifying information with respect to Agent or any pricing terms (including, without limitation, the Pricing Rate, Purchase Price Percentage and Purchase Price) or other nonpublic business or financial information (including any sublimits and financial covenants) that is unrelated to the federal, state and local tax treatment of the Transactions and is not relevant to understanding the federal, state and local tax treatment of the Transactions, without the prior written consent of Agent. The provisions set forth in this Section 31 shall survive the termination of this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, each Seller Party, Agent and Buyer shall comply with all applicable local, state and federal laws, including, without limitation, all privacy and data protection law, rules and regulations that are applicable to the Purchased Assets and/or any applicable terms of this Agreement (the "Confidential Information"). Each Seller Party, Agent and Buyer understands that the Confidential Information may contain "nonpublic personal information", as that term is defined in Section 509(4) of the GLB Act, and each Seller Party, Agent and Buyer agrees to maintain such nonpublic personal information that it receives hereunder in accordance with the GLB Act and other applicable local, state and federal laws relating to privacy and data protection. The Seller Parties, Agent and Buyer shall implement such administrative, technical and physical safeguards and other security

measures to (a) ensure the security and confidentiality of the “nonpublic personal information” of the “customers” (as defined in the GLB Act) of Agent, any Buyer or any Affiliate of Agent or any Buyer which Agent or such Buyer, as applicable, holds, (b) protect against any anticipated threats or hazards to the security and integrity of such nonpublic personal information, and (c) protect against any unauthorized access to or use of such nonpublic personal information which could result in substantial harm or inconvenience to any “customer”. The Seller Parties, Agent and Buyer shall, at a minimum establish and maintain such data security program as is necessary to meet the objectives of the Interagency Guidelines Establishing Standards for Safeguarding Customer Information as set forth in the Code of Federal Regulations at 12 C.F.R. Parts 30, 208, 211, 225, 263, 308, 364, 568 and 570. Each Seller Party shall notify Agent immediately following discovery of any breach or compromise of the security, confidentiality, or integrity of nonpublic personal information of the customers and consumers of Agent, any Buyer or any of their respective Affiliates provided directly to a Seller Party. Agent and Buyers shall notify the Seller Parties promptly following discovery of any breach or compromise of the security, confidentiality, or integrity of nonpublic personal information of the customers and consumers of a Seller Party or any Affiliate of a Seller Party provided directly to Agent and/or a Buyer. Each Seller Party shall provide such notice to Agent by personal delivery, by electronic transmission with confirmation of receipt, or by overnight courier with confirmation of receipt to the applicable requesting individual. Agent and Buyers shall provide such notice to each Seller Party by personal delivery, by electronic transmission with confirmation of receipt, or by overnight courier with confirmation of receipt to the applicable requesting individual.

Section 32. Intent.

(a) The parties hereto recognize that each Transaction is a “repurchase agreement” as that term is defined in Section 101 of Title 11 of the United States Code, as amended, a “securities contract” as that term is defined in Section 741 of Title 11 of the United States Code, as amended, and a “master netting agreement” as that term is defined in Section 101(38A)(A) of the Bankruptcy Code, that all payments hereunder are deemed “margin payments” or “settlement payments” as defined in Title 11 of the United States Code, and that the pledge of the Repurchase Assets constitutes “a security agreement or other arrangement or other credit enhancement” that is “related to” this Agreement and Transactions hereunder within the meaning of Sections 101(38A)(A), 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code. Seller, Agent and Buyers further recognize and intend that this Agreement is an agreement to provide financial accommodations and is not subject to assumption pursuant to Bankruptcy Code Section 365(a).

(b) The parties intend for the Agent and Buyers to be entitled to the broadest “safe harbor” benefits and protections afforded under the Bankruptcy Code. Without limiting the foregoing, for so long as the Agent is a “financial institution,” “financial participant” or other entity listed in Sections 555, 559, 561, 362(b)(6), 362(b)(7) or 362(b)(27) of the Bankruptcy Code, each Buyer shall be entitled to the “safe harbor” benefits and protections afforded under the Bankruptcy Code with respect to a “repurchase agreement”, a “securities contract” and a “master netting agreement” including (x) the rights, set forth in Section 15 and in Sections 555, 559 and 561 of the Bankruptcy Code, to liquidate the Purchased Assets and accelerate and terminate this Agreement, (y) the right to offset or net out as set forth in Sections 15 and 23 hereof and in Sections 362(b)(6), 362(b)(7) or 362(b)(27) of the Bankruptcy Code and (z) the non-avoidability of transfers made in connection with this Agreement as set forth in Sections 546(e), 546(f) and 546(j) of the Bankruptcy Code.

Code. The Buyers' rights (i) to liquidate the Repurchase Assets delivered to it in connection with the Transactions hereunder or to accelerate or terminate this Agreement or otherwise exercise any other remedies pursuant to Section 15 hereof and to setoff pursuant to Section 23 hereof are contractual rights to liquidate, accelerate, or terminate setoff such Transaction as described in Bankruptcy Code Sections 553, 555, 559 and 561; any payments or transfers of property made with respect to this Agreement or any Transaction shall be considered a "margin payment" and "settlement payment" as such terms are defined in Bankruptcy Code Sections 741(5) and 741(8).

(c) The parties hereto agree and acknowledge that if a party hereto is an "insured depository institution," as such term is defined in the FDIA, then each Transaction hereunder is a "qualified financial contract" as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

(d) It is understood that this Agreement constitutes a "netting contract" as defined in and subject to Title IV of FDICIA and each payment entitlement and payment obligation under any Transaction hereunder shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation", respectively, as defined in and subject to FDICIA (except insofar as one (1) or both of the parties is not a "financial institution" as that term is defined in FDICIA).

(e) This Agreement is intended to be a "repurchase agreement" and a "securities contract," within the meaning of Section 555 and Section 559 under the Bankruptcy Code.

(f) Each party hereto agrees that this Agreement is intended to create mutuality of obligations among the parties, and as such, this Agreement constitutes a contract which (i) is between all of the parties and (ii) places each party in the same right and capacity.

(g) Each party hereto agrees that it shall not challenge the characterization of this Agreement or any Transaction as a repurchase agreement, securities contract and master netting agreement under the Bankruptcy Code.

(h) Each party hereto agrees that this Agreement and the Transactions entered into hereunder are part of an integrated, simultaneously-closing suite of financial contracts.

Section 33. Disclosure Relating to Certain Federal Protections. The parties hereto acknowledge that they have been advised that:

(a) in the case of Transactions in which one of the parties is a broker or dealer registered with the SEC under Section 15 of the 1934 Act, the Securities Investor Protection Corporation has taken the position that the provisions of SIPA do not protect the other party with respect to any Transaction hereunder;

(b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and

(c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

Section 34. Conflicts. In the event of any conflict between the terms of this Agreement, any other Facility Document and any Confirmation, the documents shall control in the following order of priority: first, the terms of the Confirmation shall prevail, second, then the terms of this Agreement shall prevail, and then the terms of the Facility Documents shall prevail.

Section 35. Authorizations. Any of the persons whose signatures and titles appear on Schedule 2 are authorized, acting singly, to act for the Seller Parties, Agent or Buyers under this Agreement.

Section 36. Wire Instructions.

(a) In addition to the foregoing, the Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions"), given pursuant to this Agreement, set forth on Exhibit L hereto (as such exhibit may be updated from time to time pursuant to the provisions set forth below), and delivered using Electronic Means (as hereinafter defined); provided, however, that the Seller shall provide to the Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Seller Authorized Officers") and containing specimen signatures of such Seller Authorized Officers, which incumbency certificate shall be amended by the Seller whenever a person is to be added or deleted from the listing. Any modifications to the Instructions shall be agreed to by all parties hereto and prior to providing funds to any party under this Agreement. If Seller elects to give the Instructions using Electronic Means and the Agent in its discretion elects to act upon such Instructions, the Agent's understanding of such Instructions shall be deemed controlling. The Seller understands and agrees that the Agent cannot determine the identity of the actual sender of such Instructions and that the Agent shall conclusively presume that directions that purport to have been sent by Seller Authorized Officer listed on the incumbency certificate provided to the Agent have been sent by such Seller Authorized Officer. The Seller shall be responsible for ensuring that only Seller Authorized Officers transmit such Instructions to the Agent and that the Seller and all Seller Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt. The Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Seller agrees: (i) it shall assume all risks and liabilities arising out of the use of Electronic Means to submit Instructions to the Agent, including without limitation the risk of the Agent's acting on unverified unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by Seller not otherwise stated herein; and (iii) to notify the Agent immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Agent, or another method or system specified by the Agent as available for use in connection with its services hereunder.

(b) In the event that any party hereto desires to amend the information set forth on Exhibit L hereto (the “Requesting Party”), such Requesting Party shall submit such request to the other party hereto. Upon confirmation of the other party that such Requesting Party’s changes have been confirmed pursuant to its internal protocols, such party shall deliver confirmation thereof to the Requesting Party. Upon receipt of such confirmation, the Requesting Party shall revise the Wire Instructions to reflect the changes requested by the Requesting Party and shall circulate revised Wire Instructions to the parties hereto. Each party hereto shall promptly confirm its acceptance of the Wire Instructions and upon such confirmation from at least one email address from each party hereto, the Requesting Party shall confirm to all parties hereto that such Exhibit L is amended.

Section 37. Miscellaneous.

(a) Counterparts. This Agreement may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Counterparts may be delivered electronically or via facsimile. The parties agree that this Agreement, any addendum or amendment hereto or any other document necessary for the consummation of the transaction contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures In Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service providers, as long as such service providers use system logs and audit trails that establish a temporal and process link between the presentation of identity documents and the electronic signing, together with identifying information that can be used to verify the electronic signature and its attribution to the signer’s identity and evidence of the signer’s agreement to conduct the transaction electronically and of the signer’s execution of each electronic signature.

(b) Captions. The captions and headings appearing herein are for included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

(c) Acknowledgment. Each Seller Party hereby acknowledges that:

- (i) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Facility Documents;
- (ii) neither the Agent nor any Buyer has a fiduciary relationship to any Seller Party; and
- (iii) no joint venture exists among Buyers, Agent and any Seller Party.

(d) Documents Mutually Drafted. The parties hereto agree that this Agreement and each other Facility Document prepared in connection with the Transactions set forth herein have been mutually drafted and negotiated by each party, and consequently such documents shall not be construed against either party as the drafter thereof.

Section 38. General Interpretive Principles. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(b) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(c) references herein to "Articles", "Sections", "Subsections", "Paragraphs", and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Agreement;

(d) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions;

(e) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision;

(f) the term "include" or "including" shall mean, without limitation, by reason of enumeration;

(g) all times specified herein or in any other Facility Document (unless expressly specified otherwise) are local times in New York, New York unless otherwise stated; and

(h) all references herein or in any Facility Document to "good faith" shall mean good faith as defined in Section 1-201(19) of the UCC as in effect in the State of New York.

Section 39. Appointment and Authority of Agent.

(a) Except as expressly set forth in this Agreement to the contrary, each Buyer has appointed and designated the Agent under the Administration Agreement for the purpose of performing any action hereunder and under the other Facility Documents and authorizes Agent to take such actions on its behalf and to exercise such powers as are delegated to Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 39 are solely for the benefit of Agent and each Buyer, and Seller Parties shall not have any rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" (or any other similar term) herein or in any other Facility Document with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Each Seller Party hereby authorizes Agent and each Buyer to do any of the following: (a) instruct the remittance of, or remit, proceeds by Agent to any Buyer as agreed to by Buyers, and Seller waives any right which it may have to direct such remittance; and (b) subject to Section 31, share any information concerning the Seller Parties, any of their Affiliates party to this Agreement or other Facility Document and any Repurchase Assets related to this Agreement or other Facility Document with the other Buyers, regardless of whether or not the Seller or any of its Affiliates party to this Agreement or other Facility Document is in default or an Event of Default occurs and is continuing under this Agreement.

(c) For the avoidance of doubt, no Seller Party may assert against any Buyer or make any claim against any Buyer any claim it has against the Agent for failure by Agent to perform its own obligations.

(d) Agent, or any agent or agents hereafter appointed, at any time may resign by giving [\*\*\*]prior written notice to the Seller Parties and Buyers and complying with the applicable provisions of this Section 39(d); provided, that prior to the occurrence and continuance of an Event of Default, any such resignation shall require the prior written consent of Seller Parties. A successor Agent shall be promptly appointed by all Required Buyers as defined in the Administration Agreement by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Agent and one copy to the successor Agent; provided that, prior to the occurrence and continuance of an Event of Default, no such successor Agent may be appointed without the prior written consent of Seller Parties (except with respect to any successor Agent that is an Affiliate of Agent, in which case Seller Parties' prior written consent shall not be required); and provided, further, that if no successor Agent shall have been so appointed and have accepted appointment within [\*\*\*]after the giving of such notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent.

(e) Any successor Agent appointed as provided in Section 39(d) hereof shall execute and deliver to the Seller Parties, Buyers and to its predecessor Agent an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Agent shall become effective and such successor Agent, without any further act, deed or conveyance, shall become vested with all the rights and obligations of its predecessor, with like effect as if originally named as Agent (the predecessor Agent shall be discharged from its duties and obligations as Agent hereunder and under the other Facility Documents); provided that upon the written request of the Seller Parties, Required Buyers (as defined in the Administration Agreement) or the successor Agent, Agent ceasing to act shall execute and deliver (a) an instrument transferring to such successor Agent all of the rights of Agent so ceasing to act and (b) to such successor Agent such instruments as are necessary to transfer the Collateral (as defined the Administration Agreement) to such successor Agent (including assignments of all Collateral (as defined in the Administration Agreement) or Facility Documents). Upon the request of any such successor Agent made from time to time, the Seller Parties shall execute any and all papers which the successor Agent shall request or require to more fully and certainly vest in and confirm to such successor Agent all such rights. In furtherance of the foregoing, upon replacement of the Agent as contemplated herein, the Agent authorizes the successor Agent to file such financing statements

as the successor Agent deems appropriate to further evidence the assumption by such successor Agent of the role as Agent hereunder. Any releases, limitations on liability and other exculpatory provisions from time to time granted to or otherwise provided for the benefit of a successor Agent or any of its successors or assigns in such capacity shall, in addition to inuring to the benefit of such Person, also inure to the benefit of NCFA in its capacity as the predecessor Agent. Any releases, limitations on liability and other exculpatory provisions applicable to the Agent set forth in this Agreement or any Facility Document shall continue in effect for the benefit of the predecessor Agent in respect of any actions taken or omitted to be taken by it in its capacity as and while it was the Agent under this Agreement and the other Facility Documents.

(f) Any Person into which Agent may be merged or converted or with which it may be consolidated, or any Person surviving or resulting from any merger, conversion or consolidation to which Agent shall be a party or any Person succeeding to the commercial banking business of Agent, shall be the successor Agent without the execution or filing of any paper or any further act on the part of any of the parties.

Section 40. Series Limitation of Liability. The SPV Buyer is a Delaware statutory trust and a separate legal entity under the Delaware Statutory Trust Act and pursuant to such act a trustee, when acting in such capacity, is not personally liable to any person (other than the statutory trust or any beneficial owner thereof) for any act, omission or obligation of a statutory trust. In furtherance thereof, the parties hereto are put on notice and hereby acknowledge and agree that (a) this Agreement is executed and delivered by Wilmington Savings Fund Society, FSB (“WSFS”), not individually or personally but solely as trustee of the SPV Buyer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the SPV Buyer is made and intended not as personal representations, undertakings and agreements by WSFS but is made and intended for the purpose of binding only the SPV Buyer, (c) nothing herein contained shall be construed as creating any liability on WSFS, individually or personally, to perform any covenant either expressed or implied contained herein of the Buyer, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto, (d) WSFS has made no investigation as to the accuracy or completeness of any representations and warranties made by the SPV Buyer in this Agreement and (e) under no circumstances shall WSFS be personally liable for the payment of any indebtedness or expenses of the SPV Buyer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the SPV Buyer under this Agreement or any other related documents.

Section 41. Series. Oakdale Secured Funding Trust Fossil (the “Trust”) is a Delaware statutory trust organized in series (each, a “Series”). With respect to each Series, the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to such Series shall be enforceable against the assets of such Series only, and not against the assets of the Trust generally or the assets of any other Series. Further, with respect to each Series, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to any other Series shall be enforceable against the assets of such Series. The parties hereto acknowledge and agree that the obligations and liabilities of the Trust acting with respect to Series 2021-1 are the limited recourse obligations and liabilities of Series 2021-1, payable solely from the assets of such Series in accordance with the Series Supplement for Series 2021-1, and following realization of the assets of such Series and application of the proceeds thereof, all obligations and liabilities of, and any claims against, such Series shall be extinguished and shall not thereafter revive.

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Section 42. Amendment and Restatement. NCFA Buyer and Seller entered into the Existing Agreement. The parties hereto desire to enter into this Agreement in order to amend and restate the Existing Agreement in its entirety. The amendment and restatement of the Existing Agreement shall become effective on the date hereof, and each of the parties hereto shall hereafter be bound by the terms and conditions of this Agreement and the other Facility Documents. This Agreement amends and restates the terms and conditions of the Existing Agreement, and is not a novation of any of the agreements or obligations incurred pursuant to the terms of the Existing Agreement. Accordingly, all of the agreements and obligations incurred pursuant to the terms of the Existing Agreement are hereby ratified and affirmed by the parties hereto and remain in full force and effect. For the avoidance of doubt, it is the intent of the parties hereto that the security interests and liens granted in the Purchased Assets and Contributed REO Properties pursuant to Section 8 of the Existing Agreement shall continue in full force and effect. All references to the Existing Agreement in any Facility Document or other document or instrument delivered in connection therewith shall be deemed to refer to this Agreement and the provisions hereof.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date set forth above.

**NOMURA CORPORATE FUNDING AMERICAS, LLC,**  
as Agent and as a Buyer

By: /s/ Sanil Patel  
Name: Sanil Patel  
Title: Managing Director

Address for Notices:

Nomura Corporate Funding Americas, LLC  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

With copies to:

Nomura Corporate Funding Americas, LLC  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

Alston & Bird LLP

90 Park Avenue  
New York, New York 10016  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

Signature Page to Amended and Restated Master Repurchase Agreement

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**NOMURA SECURITIES  
INTERNATIONAL, INC., as a Buyer**

By: /s/ Sanil Patel

Name: Sanil Patel

Title: Managing Director

Address for Notices:

Nomura Securities International, Inc.  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

With copies to:

Nomura Securities International, Inc.  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

Alston & Bird LLP  
90 Park Avenue  
New York, New York 10016  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

Signature Page to Amended and Restated Master Repurchase Agreement

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**OAKDALE SECURED FUNDING TRUST FOSSIL,  
acting with respect to Series 2021-1, as a Buyer**

By: Wilmington Savings fund Society, FSB, not in its  
individual capacity but solely as owner trustee

By: /s/ Jason B. Hill

Name: Jason B. Hill

Title: Vice President

Address for Notices:

Nomura Corporate Funding Americas, LLC  
Oakdale Secured Funding Trust Fossil, acting  
with respect to Series 2021-1  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

With copies to:

Nomura Corporate Funding Americas, LLC  
Oakdale Secured Funding Trust Fossil, acting  
with respect to Series 2021-1  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

Alston & Bird LLP  
90 Park Avenue  
New York, New York 10016  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attention: [\*\*\*]  
Email: [\*\*\*]

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**FINANCE OF AMERICA REVERSE LLC, as Seller**

By: /s/ Graham Fleming

Name: Graham Fleming

Title: Chief Administrative Officer

Address for Notices:

Finance of America Reverse LLC

8023 East 63rd Place, Suite 700

Tulsa, Oklahoma 74133

Attention: [\*\*\*]

Email: [\*\*\*]

With a copy to:

Finance of America Reverse LLC

c/o Finance of America Holdings LLC

909 Lake Carolyn Parkway, Suite 1550

Irving, Texas 75039

Attention: [\*\*\*]

Email: [\*\*\*]

Signature Page to Amended and Restated Master Repurchase Agreement

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**FAR REO SUB I LLC, as REO Subsidiary**

By: /s/ Robert Conway  
Name: Robert Conway  
Title: Treasurer

Address for Notices:

FAR REO Sub I LLC  
8023 East 63rd Place, Suite 700  
Tulsa, Oklahoma 74133  
Attention: [\*\*\*]  
Email: [\*\*\*]

With a copy to:

FAR REO Sub I LLC  
c/o Finance of America Holdings LLC  
909 Lake Carolyn Parkway, Suite 1550  
Irving, Texas 75039  
Attention: [\*\*\*]  
Email: [\*\*\*]

Signature Page to Amended and Restated Master Repurchase Agreement

SCHEDULE 1-A

**REPRESENTATIONS AND WARRANTIES RE: MORTGAGE LOANS**

Seller makes the following representations and warranties to Agent and Buyers with respect to each Mortgage Loan as of the Purchase Date for the purchase of any such Mortgage Loan by Agent on behalf of Buyers from Seller and at all times while the Mortgage Loan is subject to a Transaction hereunder. With respect to those representations and warranties which are made to the best of Seller's knowledge, if it is discovered by Seller or Agent that the substance of such representation and warranty is inaccurate, notwithstanding Seller's lack of knowledge with respect to the substance of such representation and warranty, such inaccuracy shall be deemed a breach of the applicable representation and warranty.

(a) Data. The information on the Asset Schedule is complete, true and correct in all material respects as of the date of such information.

(b) Regulatory Compliance. Any and all requirements of applicable federal, state, and local laws, including, without limitation, usury, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, predatory and abusive lending laws, disclosure or unfair and deceptive practice laws have been complied with. 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.

(c) Origination and Servicing Practices; No Escrow Deposits. The origination practices used with respect to each Mortgage Loan have been in accordance with all applicable laws and the servicing practices used with respect to the Mortgage Loan have been in accordance with Accepted Servicing Practices, whether such servicing was done by the Seller, its affiliates, or any third-party servicer or servicing agent of any of the foregoing. The terms of the Mortgage Loan do not require the owner of the Mortgage Loan to make escrow payments on behalf of the Mortgagor.

(d) FHA Insurance. Each HECM Loan was underwritten in accordance with the Underwriting Guidelines and is fully insurable by FHA Mortgage Insurance, which insurance is in full force and effect or, if such insurance is not in full force and effect on the related Purchase Date, will be retroactive to the date such HECM Loan was originated, and the HECM Loan is not subject to any defect that could diminish or impair the FHA Mortgage Insurance, and all prior transfers, if any, of the HECM Loan have been, and the transactions herein contemplated are, in compliance with all applicable FHA Regulations, and no circumstances exist with respect to the HECM Loans that could permit the HUD/FHA to deny coverage, in whole or in part, under the related FHA Mortgage Insurance. The related FHA Mortgage Insurance policy calls for the assignment of the Mortgage Loan to HUD as opposed to any co-insurance option. The entire amount of the insurance premium has been paid to HUD/FHA and no portion is shared by the Seller or, if the monthly premium option has been chosen for such HECM Loan all such premiums due have been duly and timely paid.

(e) Ownership. The Seller is the sole owner of record and holder of the Mortgage Loan, and the related Mortgage Note and the Mortgage are not assigned or pledged, and the Seller has good and marketable title thereto and has full right and authority to transfer and sell the Mortgage Loan to the Agent. The Seller is transferring the Mortgage Loan free and clear of any and all encumbrances, liens, pledges, equities, participation interests, claims, agreements with other parties to sell or otherwise transfer the Mortgage Loan, charges or security interests of any nature encumbering such Mortgage Loan.

(f) Enforceability and Priority of Lien. The Mortgage is a valid, subsisting, and enforceable perfected first lien on the property therein described, the Mortgaged Property is free and clear of all adverse claims, encumbrances and liens having priority over the first lien of the Mortgage except for, (i) the lien of current real property taxes and assessments not yet due and payable, (ii) covenants, conditions, and restrictions, rights of way, easements, and other matters of public record as of the date of recording of such mortgage acceptable to mortgage lending institutions in the area in which the Mortgaged Property is located, and (iii) such other matters to which like properties are commonly subject that do not individually or in the aggregate materially interfere with the benefits of the security intended to be provided by the Mortgage.

(g) No Prior Modifications. Unless otherwise indicated in the related Asset Schedule and reflected in an agreement included in the Asset File related to the Mortgage Loan, Seller nor any prior holder of the Mortgage or the related Mortgage Note has: (i) modified the mortgage or the related Mortgage Note in any material respect; (ii) satisfied, canceled, or subordinated the mortgage in whole or in part; (iii) released the Mortgaged Property in whole or in part from the lien of the Mortgage; or (iv) executed any instrument of release, cancellation, modification, or satisfaction. If a Mortgage Loan has been modified, the modified terms are reflected on the Asset Schedule and the substance of any such modification has been approved by the FHA if required under the related FHA Mortgage Insurance policy with respect to any HECM Loan or with respect to any Mortgage Loan, approved by the title insurer, to the extent required by the related title policy.

(h) Predatory Lending Regulations: Fees and Charges. No Mortgage Loan contains any term or condition, or involves any loan origination practice, that has been defined as “predatory” under any applicable federal, state, county or municipal law, or that has been expressly categorized as an “unfair” or “deceptive” term, condition or practice in any such applicable federal, state, county or municipal law.

(i) Mortgage Recorded; Assignments of Mortgage. Except as provided in paragraph (i) below, each original Mortgage was recorded or submitted for recordation in the jurisdiction in which the Mortgaged Property is located and all subsequent assignments of the original Mortgage have been delivered in the appropriate form for recording in all jurisdictions in which such recordation is necessary to perfect the ownership of the Mortgage by the owner thereof. With respect to each Mortgage that 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 such Mortgage and no fees or expenses are or will become payable by the mortgagee to the trustee under the deed of trust, except in connection with a trustee’s sale after default by the Mortgagor. With respect to each Mortgage Loan that is not a MERS Mortgage Loan, the Assignment of Mortgage, upon the insertion of the name of the assignee and recording

information, is in recordable form (other than the name of the assignee if in blank) and is acceptable for recording under the laws of the jurisdiction in which the related Mortgaged Property is located. With respect to each MERS Mortgage Loan, (i) the related Mortgage and Assignment of Mortgage have been duly and properly recorded in the name of MERS or its designee or have been delivered for recording to the applicable recording office and (ii) a mortgage identification number has been assigned by MERS and such mortgage identification number is accurately provided on the Asset Schedule (or is otherwise provided to Agent).

(j) Litigation. There is no action, suit, proceeding or investigation pending, or to the best of Seller's knowledge threatened, that is related to the Mortgage Loan and likely to affect materially and adversely such Mortgage Loan.

(k) Complete Asset Files; Take-Out Investor. For each Mortgage Loan (except with respect to Wet-Ink Mortgage Loans solely prior to the Wet-Ink Delivery Date), all of the Mortgage Loan Documents required to be delivered to the Custodian have been delivered to the Custodian and all Mortgage Loan Documents necessary to foreclose on the Mortgaged Property are included in the related Asset File delivered to the Custodian. With respect to each HECM Loan, the related Asset File contains all of the Mortgage Loan Documents required by Ginnie Mae Guide to satisfy both initial and final certification. Each of the documents and instruments specified to be included in the Asset File is executed and in due and proper form, and each such document or instrument is in form acceptable to Ginnie Mae and HUD. With respect to each such Mortgage Loan, upon the consummation of the related Transaction, Custodian shall have received the related Asset File and such Asset File shall not have been released from the possession of the Custodian for longer than the time periods permitted under the Custodial Agreement; provided that in the case of a Wet-Ink Mortgage Loan, Custodian shall have received the related Asset File by no later than the Wet-Ink Delivery Date.

(l) No Construction Loans; HELOCs; Co-ops; Commercial Loans. No Mortgage Loan (i) was made in connection with the construction or rehabilitation of a Mortgaged Property where construction loan proceeds are still being disbursed; (ii) was made in connection with facilitating the trade-in or exchange of a Mortgaged Property; (iii) is (x) an open-ended home equity line of credit, unless such Mortgage Loan is a Home Safe Select LOC Loan, or (y) a second lien home equity line of credit, or (iv) is made to a private, cooperative housing corporation which owns or leases land and all or part of a building or buildings, including apartments, spaces used for commercial purposes and common areas therein and whose board of directors authorizes the sale of stock and the issuance of a proprietary lease. No portion of any Mortgaged Property related to any Mortgage Loan is being used for commercial or mixed-use purposes.

(m) Location and Property Type. The Mortgaged Property is located in the state identified in the Asset Schedule and consists of a contiguous parcel of real property with a detached single family residence erected thereon, a condominium, an individual unit in a planned unit development or a manufactured home affixed to the real property provided, however, that any residence shall conform with FHA Regulations and applicable Ginnie Mae requirements regarding such dwellings. None of the Mortgaged Properties are manufactured homes, condotels, agricultural properties, log homes, mobile homes, geodesic domes or other unique property types.

(n) Taxes; Assessments. There are no defaults in complying with the terms of the Mortgage (except a default with respect to a Mortgage in connection with (x) a Non-Assignable Buyout or (y) a Pool Eligible HECM Loan, so long as such Pool Eligible HECM Loan is in compliance for inclusion in a Ginnie Mae Security), and there are no delinquent taxes, governmental assessments, insurance premiums, leasehold payments, ground rents, water, sewer and municipal charges, including assessments payable in future installments or any other charge affecting the lien priority of the related Mortgaged Property.

(o) No Rescission. (A) No Mortgage Note or Mortgage is subject to any right of rescission, set-off, counterclaim, or defense, including the defense of usury, nor will the operation of any of the terms of the Mortgage Note or Mortgage, or the exercise of any right thereunder, render the Mortgage Note or Mortgage unenforceable, in whole or in part, or subject it to any right of rescission, set-off, counterclaim, or defense, including the defense of usury; and (B) to the best of Seller's knowledge, no such right of rescission, set-off, counterclaim, or defense has been asserted with respect thereto.

(p) No Consents. Other than consents and approvals obtained as of the related Purchase Date or those already granted in the documents governing such Mortgage Loan, no consent or approval by any Person is required in connection with Seller's sale and/or Agent's on behalf of Buyers' acquisition of such Mortgage Loan, for Agent's exercise of any rights or remedies in respect of such Mortgage Loan or for Agent's on behalf of Buyers' sale, pledge or other disposition of such Mortgage Loan. No third party holds any "right of first refusal", "right of first negotiation", "right of first offer", purchase option, or other similar rights of any kind, and no other impediment exists to any such transfer or exercise of rights or remedies with respect to such Mortgage Loan. No consent, approval, authorization or order of, or registration or filing with, or notice to, any court or governmental agency or body having jurisdiction or regulatory authority over Seller is required for any transfer or assignment by the holder of such Mortgage Loan.

(q) Legal, Valid and Binding Obligation. The Mortgage Note and the related Mortgage are genuine, and each constitutes the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms.

(r) Environmental Matters. The Mortgaged Property is free from any and all toxic or hazardous substances and there exists no violation of any local, state or federal environmental law, rule or regulation. There is no pending action or proceeding directly involving the Mortgaged Property in which compliance with any environmental law, rule or regulation is an issue or is secured by a secured lender's environmental insurance policy.

(s) Mortgaged Property Undamaged. Unless required repairs were identified at the time of origination and appropriate set-asides have been made for such repairs, to the best of the best of Seller's knowledge, the Mortgaged Property is in good repair and undamaged by waste, fire, earthquake or earth movement, windstorm, flood, hurricane, tornado, mold 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.

(t) No Condemnation. There is no proceeding pending or to the best of the Seller's knowledge threatened for the total or partial condemnation of the related Mortgaged Property.

(u) Advances of Loan Proceeds. All principal advances and servicing advances have been made in a timely fashion and with respect to all HECM Loans, all Scheduled HECM Payments and Unscheduled HECM Payments have been made in accordance with the terms of the Mortgage Note and the provisions of FHA Regulations and the Seller has not failed to make any such advances. Any and all requirements as to completion of any on-site or off-site improvements and/or repairs and any and all requirements as to disbursements of set-aside funds for such improvements and/or repairs have been complied with. All costs, fees and expenses incurred in making or closing the Mortgage Loan and the recording of the Mortgage were paid, and the Mortgagor is not entitled to any refund of any amounts paid or due under the Mortgage Note or Mortgage. All fees and charges (including finance charges) and whether or not financed, assessed, collected or to be collected in connection with the origination and servicing of such Mortgage Loan have been disclosed in writing to the related Mortgagor in accordance with applicable state and federal law and regulation.

(v) Consolidation of Principal Advances. Any principal advances made have been consolidated with the outstanding principal amount secured by the Mortgage, and the secured principal amount, as consolidated, bears a single interest rate reflected on the Asset Schedule. The lien of the Mortgage securing the consolidated principal amount and any future principal advances is expressly insured as having first lien priority by a title insurance policy, an endorsement to the policy insuring the mortgagee's consolidated interest or by other title evidence acceptable to Ginnie Mae.

(w) No Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to a Mortgage Loan has taken place on the part of the Seller, the Mortgagor, the appraiser, any servicer or any other party involved in the origination or servicing of the Mortgage Loan or in the application of any insurance in relation to such Mortgage Loan or in connection with the sale of such Mortgage Loan to the Agent for the benefit of Buyers.

(x) Origination; Licensing; Doing Business. The Mortgage Loan was originated by a savings and loan association, a savings bank, a commercial bank, a credit union, an 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 HUD pursuant to Sections 203 and 211 of the National Housing Act. All parties which have had any interest in the Mortgage Loan, whether as mortgagee, servicer, assignee, pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were) (1) in compliance with any and all applicable licensing requirements of the laws of the state wherein the Mortgaged Property is located, (2) in compliance with any qualification requirements of Ginnie Mae and the FHA and (3) either (A) organized under the laws of such state wherein the Mortgaged Property is located, (B) qualified to do business in such state, (C) federal savings and loan associations or national banks having principal offices in such state, or (D) not doing business in such state.

(y) HECM Loans. With respect to each HECM Loan: (i) each of the originator of such HECM Loan and the Seller has complied with all FHA Regulations, including but not limited to, any special Home Equity Conversion Mortgage disclosure requirements under applicable laws; (ii) all of the related Mortgage Loan Documents, including the Mortgage Note, are in a form required by, or acceptable under, FHA Regulations; (iii) no portion of any proceeds of such HECM Loan received by the related Mortgagor on the closing date of such HECM Loan were disbursed at the closing for any purpose prohibited under FHA Regulations (including, without limitation, for estate planning purposes); (A) shall automatically become subject to a Transaction under this Agreement without the requirement of Agent to remit any additional Purchase Price and (B) with Seller disbursing such advances of principal to the related Mortgagor with its own funds and not the funds of any third party lender; (iv) if such HECM Loan is a Pool Eligible HECM Loan, it is eligible to be pooled into a Ginnie Mae Security and meets the eligibility requirements of the Ginnie Mae Guide, but no participation in such HECM Loan shall have been pooled into a Ginnie Mae Security (except with respect to HECM Buyouts); (v) such HECM Loan bears interest at a rate of interest permitted in accordance with FHA Regulations; (vi) each Mortgagor under such HECM Loan is an eligible Mortgagor in accordance with the requirements of FHA Regulations; (vii) each Mortgagor has received all counseling required by FHA Regulations; (viii) the Custodian holds the related Mortgage Note; and (ix) each HECM Loan provides for a Servicing Fee which falls within the limits prescribed by FHA Regulations.

(z) Reverse Mortgages. Each Mortgage Loan (i) provides that any principal advance increases the Adjusted Principal Balance of related Mortgage Loan and is secured by an interest in the same Mortgaged Property as the related Mortgage Loan, and (ii) provides for a principal limit that will at no time exceed (measured either as (a) time of origination of such Mortgage Loan or (b) if such Mortgage Loan has been modified other than as a result of a default or reasonably foreseeable default, the time of such modification) 100% of the appraised value of the Mortgaged Property.

(aa) Occupancy of the Mortgaged Property. As of the date of origination, the Mortgaged Property was lawfully occupied by the Mortgagor under applicable law as such Mortgagor's primary residence and, as of the related Purchase Date, the Mortgaged Property is lawfully occupied by the Mortgagor and such property is the Mortgagor's primary residence.

(bb) The Mortgagor. The Mortgagor is one (1) or more natural persons aged sixty-two (62) or older.

(cc) Maturity Events. With respect to each Mortgage Loan (other than HECM Buyouts), none of the following maturity events have occurred: (1) the sale, conveyance, transfer or assignment of any part of the related Mortgaged Property, (2) the death of the last living Mortgagor thereunder, (3) all Mortgagors thereunder ceasing to use the related Mortgaged Property as their principal residence and (4) any other "Maturity Event" or similar event as specified in the related Mortgage Note or Mortgage which would render the Mortgage Loan due and payable.

(dd) Mortgage Calculations. The related principal limit, all principal advances, interest calculations and other calculation terms have each been calculated in accordance with and comply with all requirements of the applicable Underwriting Guidelines and Accepted Servicing Practices.

(ee) Hazard Insurance. The Mortgaged Property is insured by a fire and extended perils insurance policy, issued by an insurer acceptable to FHA and Ginnie Mae (a "Qualified Insurer"), and such other hazards as are customary in the area where the Mortgaged Property is located in accordance with Accepted Servicing Practices, in an amount not less than the lesser of (i) 100% of the replacement cost of all improvements to the Mortgaged Property or (ii) the outstanding principal balance of the Mortgage Loan, and consistent with the amount that would have been required as of the date of origination in accordance with the Underwriting Guidelines. If any portion of the Mortgaged Property is in an area identified by any federal Governmental Authority as having special flood hazards, and flood insurance is available, a flood insurance policy meeting the current guidelines of the Federal Emergency Management Agency is in effect with a Qualified Insurer, in an amount representing coverage not less than the least of (1) 100% of the replacement cost of all improvements to the Mortgaged Property, (2) the outstanding principal balance of the Mortgage Loan, and (3) the maximum amount of insurance available under the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973. All such insurance policies (collectively, the "hazard insurance policy") contain a standard mortgagee clause naming the Seller, its successors and assigns (including, without limitation, subsequent owners of the Mortgage Loan), as mortgagee, and may not be reduced, terminated or canceled without thirty (30) days' prior written notice to the mortgagee. No such notice has been received by Seller. All premiums on such insurance policy have been paid. The related Mortgage obligates the Mortgagor to maintain all such insurance and, at such Mortgagor's failure to do so, authorizes the mortgagee to maintain such insurance at the Mortgagor's cost and expense and to seek reimbursement therefor from such Mortgagor. Where required by state law or regulation, the Mortgagor has been given an opportunity to choose the carrier of the required hazard insurance, provided the policy is not a "master" or "blanket" hazard insurance policy covering a condominium, or any hazard insurance policy covering the common facilities of a planned unit development. The hazard insurance policy is the valid and binding obligation of the insurer and is in full force and effect. Seller has not engaged in, nor has any 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 endorsement provided for herein, 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, and no such unlawful items have been received, retained or realized by Seller.

(ff) No Satisfaction of Mortgage. Except as permitted or required by Ginnie Mae, the Mortgage has not been satisfied, cancelled, subordinated or rescinded, in whole or in part, and the Mortgaged Property has not been released from the lien of the Mortgage, in whole or in part, nor has any instrument been executed that would affect any such satisfaction, cancellation, subordination, rescission or release. Seller has not waived the performance by the Mortgagor of any action, if the Mortgagor's failure to perform such action would cause the Mortgage Loan to be in default, nor has Seller waived any default resulting from any action or inaction by the Mortgagor.

(gg) Title Insurance. The Mortgage Loan is covered by either (i) an attorney's opinion of title and abstract of title, the form and substance of which is acceptable to prudent mortgage lending institutions making mortgage loans in the area wherein the Mortgaged Property is located or (ii) an American Land Title Association lender's title insurance policy or other

generally acceptable form of policy or insurance acceptable to Ginnie Mae and each such title insurance policy is issued by a title insurer acceptable to Ginnie Mae and qualified to do business in the jurisdiction where the Mortgaged Property is located, insuring Seller, its successors and assigns, as to the first priority lien of the Mortgage, as applicable, in the original principal amount of the Mortgage Loan, with respect to a Mortgage Loan (or to the extent a Note provides for negative amortization, the maximum amount of negative amortization in accordance with the Mortgage), subject only to the exceptions contained in clauses (i), (ii) and (iii) of paragraph (h) of this Schedule 1-A, and in the case of adjustable rate Mortgage Loans, 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 state law or regulation, the Mortgagor has been given the opportunity to choose the carrier of the required mortgage title insurance. Additionally, such lender's title insurance policy affirmatively insures ingress and egress and against encroachments by or upon the Mortgaged Property or any interest therein. The title policy does not contain any special exceptions (other than the standard exclusions) for zoning and uses and has been marked to delete the standard survey exception or to replace the standard survey exception with a specific survey reading. The applicable originator, its successors and assigns, are the sole insureds of such lender's title insurance policy, and lender's title insurance policy is valid and remains in full force and effect and will be in force and effect upon the consummation of the transactions contemplated by this Agreement. No prior holder or servicer of the related Mortgage, including Seller, has done, by act or omission, anything which would or may invalidate any such policy.

(hh) Underwriting Standards. Each Mortgage Loan was underwritten in accordance with the Underwriting Guidelines.

(ii) The Appraisal. The Asset File contains an appraisal of the related Mortgaged Property in a form acceptable to HUD and Ginnie Mae. The appraisal and all appraisal practices used in originating the Mortgage Loans conform to the requirements of Ginnie Mae and HUD. In addition, the appraisal was made and signed, prior to the approval of the Mortgage Loan application, by a licensed appraiser (1) who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, (2) whose compensation is not affected by the approval or disapproval of the Mortgage Loan, and (3) who met the minimum qualifications of the FHA, Ginnie Mae and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, and the regulations promulgated thereunder, all as in effect on the date the Mortgage Loan was originated.

(jj) Due on Sale. Except with respect to Mortgage Loans intended for purchase by Ginnie Mae, the Mortgage contains an enforceable provision for the acceleration of the payment of the unpaid principal balance of the Mortgage Loan in the event that the Mortgaged Property is sold or transferred without the prior written consent of the mortgagee thereunder.

(kk) Customary Provisions. The Mortgage and related Mortgage Note contain 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 provided thereby, including, (i) in the case of a Mortgage designated as a deed of trust, by trustee's sale, and (ii) otherwise by judicial foreclosure. There is no homestead or other exemption available to a Mortgagor which would interfere with the right to sell the Mortgaged Property at a trustee's sale or the right to foreclose the Mortgage.

(ll) No Arbitration Provisions. With respect to any Mortgage Loan originated on or after August 1, 2004, neither the related Mortgage nor Mortgage Note requires the Mortgagor to submit to arbitration to resolve any dispute arising thereunder or in connection with the origination of such Mortgage Loan.

(mm) Prepayments. The terms of the Mortgage Loan allow for the prepayment of the Mortgage Loan in full or in part, without penalty, with a prepayment in full resulting in the termination of the Mortgage Loan.

(nn) Terms of Adjustable Rate Mortgage Loans; Conversion to Fixed Interest Rate. The terms of each adjustable rate Mortgage Loan provide for an interest rate that adjusts either monthly or annually. No adjustable rate Mortgage Loan contains a provision permitting or requiring conversion to a fixed interest rate Mortgage Loan.

(oo) Adjustments. For each adjustable rate Mortgage Loan, all of the terms of the related Mortgage Note pertaining to interest adjustments, payment adjustments and adjustments of the outstanding principal balance, if any, are enforceable and such adjustments on such adjustable rate Mortgage Loan have been made properly and in accordance with the provisions of such adjustable rate Mortgage Loan, including any required notices, and such adjustments do not and will not affect the priority of the Mortgage lien.

(pp) Leaseholds. If the Mortgage Loan is secured by a long-term residential lease, the lease complies with the terms of FHA Regulations.

(qq) Location of Improvements; No Encroachments. All improvements which were considered in determining the appraised value of the Mortgaged Property lay wholly within the boundaries and building restriction lines of the Mortgaged Property and no improvements on adjoining properties encroach upon the Mortgaged Property. The foregoing shall not apply to Mortgaged Properties with minor encroachments that are allowed by HUD. No improvement located on or being part of the Mortgaged Property is in violation of any applicable zoning law or regulation.

(rr) Flood Certification Contract. The Seller has obtained a life of loan, transferable flood certification contract acceptable to Agent in its sole discretion for each Mortgage Loan and such contract is assignable without penalty, premium or cost to the Agent.

(ss) Tax Service Contracts. The Seller has obtained a life of loan, transferable real estate tax service contract on each Mortgage Loan and such contract is assignable without penalty, premium or cost to the Agent.

(tt) OFAC. No Mortgage Loan is subject to nullification pursuant to EO13224 or OFAC Regulations or in violation of EO13224 or OFAC Regulations, and no Mortgagor is subject to the provisions of EO13224 or OFAC Regulations nor listed as a "specially designated national" or "blocked person" for purposes of OFAC Regulations.

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(uu) No Prior Repurchase of Home Safe Loans. With respect to any Mortgage Loan which is a Home Safe Loan, such Home Safe Loan has not been previously sold by Seller to any third party.

Schedule 1-A-10

SCHEDULE 1-B

**REPRESENTATIONS AND WARRANTIES RE: POOLED LOANS**

With respect to Pooled Loans, Seller shall be deemed to make the representations and warranties set forth below to Agent and Buyers as of the Purchase Date and as of each date the Pooled Loans are subject to a Transaction.

Seller makes the following representations and warranties to Agent and Buyers with respect to each Pooled Loan, as of the Purchase Date for the purchase of any Pooled Loan by Agent on behalf of Buyers from Seller and as of the date of this Agreement and any Transaction hereunder and at all times while the Facility Documents and any Transaction hereunder is in full force and effect. For purposes of this Schedule 1-B and the representations and warranties set forth herein, a breach of a representation or warranty shall be deemed to have been cured with respect to a Pooled Loan if and when Seller has taken or caused to be taken action such that the event, circumstance or condition that gave rise to such breach no longer adversely affects such Pooled Loan. With respect to those representations and warranties which are made to the best of Seller's knowledge, if it is discovered by Seller or Agent that the substance of such representation and warranty is inaccurate, notwithstanding Seller's lack of knowledge with respect to the substance of such representation and warranty, such inaccuracy shall be deemed a breach of the applicable representation and warranty.

(a) Agency Eligibility. Each Pooled Loan is an Agency Eligible Mortgage Loan.

(b) Agency Representations. As to each Pooled Loan, all of the representations and warranties made or deemed made respecting same contained in (or incorporated by reference therein) the Ginnie Mae Guide provisions and Ginnie Mae Program (collectively, the "Standard Agency Mortgage Loan Representations") are (and shall be as of all relevant dates) true and correct in all material respects; and except as may be expressly and previously disclosed to Agent, Seller has not negotiated with the Agency any exceptions or modifications to such Standard Agency Mortgage Loan Representations.

(c) Committed Mortgage Loans. The Ginnie Mae Security to be issued on account of the Pooled Loans is covered by a Take-out Commitment, does not exceed the availability under such Take-out Commitment. Each Take-out Commitment is a legal, valid and binding obligation of Seller enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(d) Certification. With respect to Pooled Loans being placed in a Ginnie Mae Security, the related Custodian has certified such Pooled Loans to the Agency for the purpose of being swapped for a Ginnie Mae Security backed by such pool, in each case, in accordance with the terms of the Ginnie Mae Guide.

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(e) Sole Subscriber. As to the Ginnie Mae Security being issued with respect to Pooled Loans, Agent or such other Person approved in writing by Agent has been listed as the sole subscriber thereto.

Schedule 1-B-2

SCHEDULE 1-C

**REPRESENTATIONS AND WARRANTIES RE: CONTRIBUTED REO PROPERTIES**

Seller makes the following representations and warranties to Agent and Buyers with respect to each Contributed REO Property as of the date on which Seller or the REO Subsidiary takes title to such Contributed REO Property and at all times while the Contributed REO Property is subject to a Transaction hereunder. With respect to those representations and warranties which are made to the best of Seller's knowledge, if it is discovered by Seller or Agent that the substance of such representation and warranty is inaccurate, notwithstanding Seller's lack of knowledge with respect to the substance of such representation and warranty, such inaccuracy shall be deemed a breach of the applicable representation and warranty.

(a) Asset File. All documents required to be delivered as part of the Asset File, have been delivered to the Custodian (or solely with respect to Contributed REO Property that was a Mortgage Loan subject to a Transaction under the Agreement within [\*\*\*] of such REO Property being acquired by the REO Subsidiary) or held by an attorney in connection with a foreclosure pursuant to an Attorney Bailee Letter and all information contained in the related Asset File (or as otherwise provided to Agent) in respect of such Contributed REO Property is accurate and complete in all material respects.

(b) Ownership. The REO Subsidiary (as the case may be) is the sole owner and holder of the Contributed REO Property and the Servicing Rights related thereto. Neither Seller nor the REO Subsidiary has assigned or pledged the Contributed REO Property and the related Servicing Rights.

(c) Contributed REO Property as Described. The information set forth in the Asset Schedule accurately reflects information contained in Seller's records in all material respects.

(d) Taxes, Assessments and Other Charges. All taxes, homeowner or similar association fees, charges, and assessments, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments or ground rents which previously became due and owing have been paid.

(e) No Litigation. Other than any customary claim or counterclaim arising out of any foreclosure or collection proceeding relating to any Contributed REO Property, there is no litigation, proceeding or governmental investigation pending, or any order, injunction or decree outstanding, existing or relating to Seller, the REO Subsidiary or any of their Subsidiaries with respect to the Contributed REO Property that would materially and adversely affect the value of the Contributed REO Property.

(f) No Eviction. No Mortgagor of a Contributed REO Property is subject of an eviction proceeding.

(g) Hazard Insurance. All buildings or other customarily insured improvements upon the Contributed REO Property are insured by an insurer against loss by fire, hazards of extended coverage and such other hazards in an amount not less than the Maximum Claim Amount for such Contributed REO Property.

(h) Flood Insurance. If the improvements on the Contributed REO Property were in an area identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards at the time of origination of the Mortgage Loan that resulted in the Contributed REO Property, a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier in an amount representing commercially reasonable coverage.

(i) No Mechanics' Liens. There are no mechanics' or similar liens or claims which have been filed for work, labor or material affecting the related Contributed REO Property.

(j) No Damage. The Contributed REO Property is undamaged by water, fire, earthquake, earth movement other than earthquake, windstorm, flood, tornado, defective construction materials or work, or similar casualty (excluding casualty from the presence of hazardous wastes or hazardous substances) which would cause such Contributed REO Property to become uninhabitable.

(k) No Condemnation. There is no proceeding pending, or threatened, for the total or partial condemnation of the Contributed REO Property.

(l) Environmental Matters. The Contributed REO Property is not subject to an Environmental Issue and there is no pending action or proceeding directly involving the Contributed REO Property in which compliance with any environmental law, rule or regulation is an issue.

(m) Location and Type of Contributed REO Property. Each Contributed REO Property is located in the United States or a territory of the United States 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 unit in a planned unit development. No Contributed REO Property is a manufactured home.

(n) Recordation. The related Deed in the name of the REO Subsidiary has been submitted for recordation with a copy delivered to the Custodian within [\*\*\*] following the Conversion Date.

(o) No Fraudulent Acts. No fraudulent acts were committed by Seller in connection with the acquisition or origination of such Contributed REO Property nor were any fraudulent acts committed by any Person in connection with the origination of such Contributed REO Property.

(p) Acquisition of REO Property. With respect to each such Contributed REO Property, (i) such Contributed REO Property either (x) is a Mortgaged Property acquired by the REO Subsidiary through foreclosure or by deed in lieu of foreclosure or otherwise, which was, prior to such foreclosure or deed in lieu of foreclosure, subject to the lien of an Mortgage Loan that is a Purchased Asset or (y) has been approved as an Eligible Asset by Agent in its sole and absolute discretion, and (ii) upon the consummation of the related Transaction, Custodian shall have received the related Asset File and such Asset File shall not have been released from the possession of the Custodian for longer than the time periods permitted under the Custodial Agreement.

SCHEDULE 1-D

**REPRESENTATIONS AND WARRANTIES RE: REO SUBSIDIARY INTERESTS**

Each Seller Party makes the following representations and warranties to Agent and Buyers with respect to the REO Subsidiary Interest as of the Purchase Date for the purchase of the REO Subsidiary Interest by Agent on behalf of Buyers from Seller Parties and as of the date of this Agreement and any Transaction hereunder and at all times while the Facility Documents and any Transaction hereunder is in full force and effect. With respect to those representations and warranties which are made to the best of Seller Parties' knowledge, if it is discovered by Seller Parties or Agent that the substance of such representation and warranty is inaccurate, notwithstanding Seller Party's lack of knowledge with respect to the substance of such representation and warranty, such inaccuracy shall be deemed a breach of the applicable representation and warranty.

(a) Ownership. The REO Subsidiary Interests constitute all the issued and outstanding beneficial interests of all classes of the REO Subsidiary and are certificated.

(b) Compliance with Law. The REO Subsidiary Interests comply in all material respects with, or is exempt from, all applicable requirements of federal, state or local law relating to such REO Subsidiary Interests.

(c) Good and Marketable Title. Immediately prior to the sale, transfer and assignment to the related Buyer thereof, the Seller has good and marketable title to, and is the sole owner and holder of, the REO Subsidiary Interests, and the Seller is transferring such REO Subsidiary Interests free and clear of any and all liens, pledges, encumbrances, charges, security interests or any other ownership interests of any nature encumbering such REO Subsidiary Interests. Upon consummation of the purchase contemplated to occur in respect of such REO Subsidiary Interests, the Seller will have validly and effectively conveyed to the related Buyer all legal and beneficial interest in and to such REO Subsidiary Interests free and clear of any pledge, lien, encumbrance or security interest and upon the filing of a financing statement covering the REO Subsidiary Interests in the State of Delaware and naming the Seller as debtor and Agent for the benefit of Buyers as secured party, the Lien granted pursuant to this Agreement will constitute a valid, perfected first priority Lien on the REO Subsidiary Interests in favor of Agent for the benefit of Buyers enforceable as such against all creditors of the REO Subsidiary and any Persons purporting to purchase the REO Subsidiary Interests from the Seller.

(d) No Fraud. No fraudulent acts were committed by any Seller Party or any of their respective Affiliates in connection with the issuance of such REO Subsidiary Interests.

(e) No Defaults. No (i) monetary default, breach or violation exists with respect to any agreement or other document governing or pertaining to such REO Subsidiary Interests, (ii) non-monetary default, breach or violation exists with respect to such REO Subsidiary Interests, or (iii) event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach or violation of such REO Subsidiary Interests.

(f) No Modifications. The REO Subsidiary is not a party to any document, instrument or agreement, and there is no document, that by its terms modifies or affects the rights and obligations of any holder of such REO Subsidiary Interests and the REO Subsidiary has not consented to any material change or waiver to any term or provision of any such document, instrument or agreement and no such change or waiver exists.

(g) Power and Authority. The Seller has full right, power and authority to sell and assign such REO Subsidiary Interests, as applicable, and such REO Subsidiary Interests have not been cancelled, satisfied or rescinded in whole or part nor has any instrument been executed that would effect a cancellation, satisfaction or rescission thereof.

(h) Consents and Approvals. Other than consents and approvals obtained as of the related Purchase Date or those already granted in the documents governing such REO Subsidiary Interests, no consent or approval by any Person is required in connection with the Seller's sale and/or any Buyer's acquisition of such REO Subsidiary Interests, for Agent's or any Buyer's exercise of any rights or remedies in respect of such REO Subsidiary Interests or for Agent's or any Buyer's sale, pledge or other disposition of such REO Subsidiary Interests. No third party holds any "right of first refusal", "right of first negotiation", "right of first offer", purchase option, or other similar rights of any kind, and no other impediment exists to any such transfer or exercise of rights or remedies with respect to such REO Subsidiary Interests.

(i) No Governmental Approvals. No consent, approval, authorization or order of, or registration or filing with, or notice to, any court or governmental agency or body having jurisdiction or regulatory authority over the REO Subsidiary is required for any transfer or assignment by the holder of such REO Subsidiary Interests to the Agent for the benefit of Buyers.

(f) Original Certificates. The Seller has delivered to Agent or the Custodian the original certificate or other similar indicia of ownership of such REO Subsidiary Interests, however denominated, reissued in the Agent's name.

(g) No Litigation. The REO Subsidiary has not received written notice of any outstanding liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind for which the holder of such REO Subsidiary Interests is or may become obligated.

(h) Duly and Validly Issued. The REO Subsidiary Certificates have been duly and validly issued in the name of Agent for the benefit of Buyers.

(i) No Notices. The REO Subsidiary has not received written notice of any outstanding liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind for which the holder of such REO Subsidiary Interests is or may become obligated.

(j) No Material Adverse Effect. No event has occurred or is occurring which has or could reasonably be expected to have a Material Adverse Effect on the REO Subsidiary.

**AUTHORIZED REPRESENTATIVES**

**SELLER AND REO SUBSIDIARY AUTHORIZATIONS**

Any of the persons whose signatures and titles appear below are authorized, acting singly, to act for Seller and the REO Subsidiary under this Agreement:

Name	Title	Signature
[**]		
[**]		
[**]		
[**]		
[**]		
[**]		

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**AGENT, NCFA BUYER AND NSI BUYER AUTHORIZATIONS**

Any of the persons whose signatures and titles appear below, including any other authorized officers, are authorized, acting singly, to act for each of Agent, NCFA Buyer, and NSI Buyer under this Agreement:

Name	Title	Signature
[**]	Managing Director	

FORM OF CONFIRMATION LETTER

[\_\_\_\_], 20[ ]

Finance of America Reverse LLC  
8023 East 63rd Place, Suite 700  
Tulsa, Oklahoma 74133  
Attention: [\*\*\*]  
E-mail: [\*\*\*] Telephone No.: [\*\*\*]  
Confirmation No.: \_\_\_\_\_

FAR REO Sub I LLC  
8023 East 63rd Place, Suite 700  
Tulsa, Oklahoma 74133  
Attention: [\*\*\*]  
E-mail: [\*\*\*]  
Telephone No.: [\*\*\*]

All:

This letter confirms your agreement for us to purchase from you the Purchased Assets listed in Appendix I hereto, pursuant to the Amended and Restated Master Repurchase Agreement governing purchases and sales of Purchased Assets among Finance of America Reverse LLC, in its capacity as seller (the "Seller"), FAR REO Sub I LLC, in its capacity as REO subsidiary (the "REO Subsidiary", and together with the Seller, each, a "Seller Party", and collectively, the "Seller Parties"), Nomura Corporate Funding Americas, LLC ("NCF A"), in its capacity as a buyer ("NCF A Buyer"), Nomura Securities International, Inc., in its capacity as a buyer ("NSI Buyer"), Oakdale Secured Funding Trust Fossil, acting with respect to Series2021-1, in its capacity as a buyer ("SPV Buyer", and together with NCF A Buyer and NSI Buyer, each, a "Buyer", and collectively, the "Buyers"), and NCF A, in its capacity as agent (the "Agent"), dated as of June 28, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), as follows (capitalized terms used herein but not herein defined shall have the meanings ascribed thereto in the Agreement):

Purchase Date: [\_\_\_\_, \_\_\_\_]

Purchased Assets to be Purchased: See Appendix I hereto.

Aggregate Principal Amount of Eligible Mortgage Loans: \$[\_\_\_\_\_]

[Contributed REO Property:]

Purchase Price: \$[\_\_\_\_\_]

<u>Product Type</u>	<u>Pricing Rate</u>

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Repurchase Date: As defined in the Agreement.

Repurchase Price: As defined in the Agreement.

Names and addresses for communications:

NCFA Buyer, NSI Buyer and Agent:

Nomura Corporate Funding Americas, LLC  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Attention: [\*\*\*]  
Email: [\*\*\*]

Seller:

Finance of America Reverse LLC  
8023 East 63rd Place, Suite 700  
Tulsa, Oklahoma 74133  
Attention: Eirann Mittelsteadt  
E-mail: [\*\*\*]  
Telephone No.: [\*\*\*]

With a copy to:

Finance of America Reverse LLC  
c/o Finance of America Holdings LLC  
909 Lake Carolyn Parkway, Suite 1550  
Irving, Texas 75039  
Attention: [\*\*\*]  
Email: [\*\*\*]

REO Subsidiary:

FAR REO Sub I LLC  
8023 East 63rd Place, Suite 700  
Tulsa, Oklahoma 74133  
Attention: [\*\*\*]  
E-mail: [\*\*\*]  
Telephone No.: [\*\*\*]

Exh. A-2

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With a copy to:

FAR REO Sub I LLC  
c/o Finance of America Holdings LLC  
909 Lake Carolyn Parkway, Suite 1550  
Irving, Texas 75039  
Attention: [\*\*\*]  
Email: [\*\*\*]

Other:

The parties hereby waive the requirement set forth in the Agreement to execute and deliver a Transaction Request. By executing the Confirmation, the parties confirm their agreement to enter in a Transaction on the Purchase Date set forth above with respect to the Purchased Assets listed in Appendix I herein. In addition, the Seller acknowledges and agrees that the Asset Schedule relating to the Purchased Assets is attached hereto.

Exh. A-3

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**NOMURA CORPORATE FUNDING AMERICAS, LLC,**  
as Agent

By: \_\_\_\_\_  
Name:  
Title:

Agreed and Acknowledged:

**FINANCE OF AMERICA REVERSE LLC,**  
as Seller

By: \_\_\_\_\_  
Name:  
Title:

**FAR REO SUB I LLC,**  
as REO Subsidiary

By: \_\_\_\_\_  
Name:  
Title:

Exh. A-3

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Appendix I

Exh. A-4

**UNDERWRITING GUIDELINES**

**ON FILE**

Exh. B-1

**SELLER'S AND REO SUBSIDIARY'S TAX IDENTIFICATION NUMBERS**

<u>Entity Name</u>	<u>EIN</u>
Finance of America Reverse LLC	20-0304793
FAR REO Sub I LLC	87-1219730

Exh. C-1

**QUALITY CONTROL REPORT**

**SEE ATTACHED**

Exh. D-1

**MONTHLY SERVICING REPORT**

**To be agreed-upon by Agent and Seller**

Exh. E-1

**FORM OF SECTION 7 CERTIFICATE**

Reference is hereby made to the Amended and Restated Master Repurchase Agreement, dated as of June 28, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), among Finance of America Reverse LLC, in its capacity as seller (the "Seller"), FAR REO Sub I LLC, in its capacity as REO subsidiary (the "REO Subsidiary"), and together with Seller, each, a "Seller Party", and collectively, the "Seller Parties"), Nomura Corporate Funding Americas, LLC ("NCFA"), in its capacity as a buyer ("NCFA Buyer"), Nomura Securities International, Inc., in its capacity as a buyer ("NSI Buyer"), Oakdale Secured Funding Trust Fossil, acting with respect to Series2021-1, in its capacity as a buyer (together with its permitted successors and assigns in such capacity thereunder, "SPV Buyer"), and together with NCFA Buyer, NSI Buyer and each other entity that may be subsequently added as a party thereto in the capacity of Buyer pursuant to a Joinder Agreement, each, a "Buyer", and collectively, the "Buyers"), and NCFA, in its capacity as agent pursuant thereto (together with its permitted successors and assigns in such capacity thereunder, "Agent"). Pursuant to the provisions of Section 7 of the Agreement, the undersigned hereby certifies that:

1. It is a \_\_\_ natural individual person, \_\_\_ treated as a corporation for U.S. federal income tax purposes, \_\_\_ disregarded for federal income tax purposes (in which case a copy of this Section 7 Certificate is attached in respect of its sole beneficial owner), or \_\_\_ treated as a partnership for U.S. federal income tax purposes (one must be checked).

2. It is the beneficial owner of amounts received pursuant to the Agreement.

3. It is not a bank, as such term is used in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), or the Agreement is not, with respect to the undersigned, a loan agreement entered into in the ordinary course of its trade or business, within the meaning of such section.

4. It is not a 10-percent shareholder of Seller within the meaning of section 871(h)(3) or 881(c)(3)(B) of the Code.

5. It is not a controlled foreign corporation that is related to Seller within the meaning of section 881(c)(3)(C) of the Code.

6. Amounts paid to it under the Facility Documents are not effectively connected with its conduct of a trade or business in the United States.

Exh. F-1

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**[NAME OF UNDERSIGNED]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, \_\_\_\_\_

Exh. F-2

**ASSET SCHEDULE FIELDS**

Simple ID  
ProductTypeName  
InitialRate  
Serv Fee  
Net Note Rate  
Current Loan Balance  
Securitized Balance  
Principallimit  
MaxClaimAmount  
PropertyAppraisedValue  
MonthlyServicingFee  
DOB1  
BorrowerSex  
DOB2  
CoBorrowerSex  
CloseDate  
State  
ZIP  
Gross\_Margin  
Net Margin  
Payment\_Plan  
Loc  
ARM\_Ceiling  
Monthly\_Payment  
TermMonths  
MIPRate  
Saver  
CurrentLoanStatus  
PLU  
LOCFirstYear  
LOCAfterFirstYear  
MonthlyPaymentFirstYear  
RepairSetAside  
Buyout Date  
Property Sales\_Proceeds\_Amount  
Initial\_Claims\_Proceeds\_Amount  
Supplemental\_Claim\_Proceeds\_Amount  
Most Recent Appraisal Value  
Most Recent Appraisal Date  
First Appraisal Value following Marketable Title Date

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First Appraisal Date following Marketable Title Date  
Second Appraisal Value following Marketable Title Date  
Second Appraisal Date following Marketable Title Date  
Third Appraisal Value following Marketable Title Date  
Third Appraisal Date following Marketable Title Date  
Default Date  
Called\_Due\_Date  
FCL\_1st\_Legal\_Completed\_Date  
FCL\_Confirmed\_Sale\_Date  
REO Proceeds Date  
Current Interest Rate  
Debenture Interest Rate  
Prior Nomura Funding (Y/N)  
Original Nomura Funding Date  
Subsequent Nomura Funding Date  
Date Converted to REO

Exh. G-2

**FORM OF ESCROW INSTRUCTION LETTER**

The escrow instruction letter (the "Escrow Instruction Letter") shall also include the following instruction to the Settlement Agent (the "Escrow Agent"):

Nomura Corporate Funding Americas, LLC (the "Agent") has agreed to provide funds ("Escrow Funds") for the benefit of buyers to Finance of America Reverse LLC (the "Seller") to finance certain mortgage loans (the "Mortgage Loans") for which you are acting as Escrow Agent.

You hereby agree that (a) you shall receive such Escrow Funds from Agent to be disbursed in connection with this Escrow Instruction Letter, (b) you will hold such Escrow Funds in trust, without deduction, set-off or counterclaim for the sole and exclusive benefit of Agent for the benefit of Buyers until such Escrow Funds are fully disbursed on behalf of Agent in accordance with the instructions set forth herein, and (c) you will disburse such Escrow Funds on the date specified for closing (the "Closing Date") only after you have followed the Escrow Instruction Letter's requirements with respect to the Mortgage Loans. In the event that the Escrow Funds cannot be disbursed on the Closing Date in accordance with the Escrow Instruction Letter, you agree to promptly remit the Escrow Funds to the Agent by re-routing via wire transfer the Escrow Funds in immediately available funds, without deduction, set-off or counterclaim, back to the account specified in Agent's incoming wire transfer.

You further agree that, upon disbursement of the Escrow Funds, you will hold all Mortgage Loan documents specified in the Escrow Instruction Letter in escrow as agent and bailee for Agent, and will forward the Mortgage Loan documents and original Escrow Instruction Letter in connection with such Mortgage Loans by overnight courier to the Custodian within [\*\*\*] following the date of origination.

You agree that all fees, charges and expenses regarding your services to be performed pursuant to the Escrow Instruction Letter are to be paid by Seller or its borrowers, and Agent shall have no liability with respect thereto.

You represent, warrant and covenant that you are not an affiliate of or otherwise controlled by Seller, and that you are acting as an independent contractor and not as an agent of Seller.

The provisions of this Escrow Instruction Letter may not be modified, amended or altered, except by written instrument, executed by the parties hereto and Agent. You understand that Agent shall act in reliance upon the provisions set forth in this Escrow Instruction Letter, and that Agent is an intended third party beneficiary hereof.

Whether or not an Escrow Instruction Letter executed by you is received by the Custodian, your acceptance of the Escrow Funds shall be deemed to constitute your acceptance of the Escrow Instruction Letter.

Exh. H-1

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**NOMURA CORPORATE FUNDING AMERICAS, LLC,**  
as Agent

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FINANCE OF AMERICA REVERSE LLC,**  
as Seller

By: \_\_\_\_\_

Title: \_\_\_\_\_

Exh. G-2

## FORM OF SUBSERVICER NOTICE (CELINK)

[Date]

[\_\_\_\_], 2021

Compu-Link Corporation d/b/a Celink  
3900 Capital City Boulevard  
Lansing, Michigan 48906  
Attention: [\*\*\*]

Re: Amended and Restated Master Repurchase Agreement, dated as of June 28, 2021 (as amended, restated, supplemented, or otherwise modified from time to time, the "Repurchase Agreement"), by and among Finance of America Reverse LLC, in its capacity as seller (the "Seller"), FAR REO Sub I LLC, in its capacity as REO subsidiary (the "REO Subsidiary"), and together with Seller, each, a "Seller Party", and collectively, the "Seller Parties"), Nomura Corporate Funding Americas, LLC ("NCFA"), in its capacity as a buyer ("NCFA Buyer"), Nomura Securities International, Inc., in its capacity as a buyer ("NSI Buyer"), Oakdale Secured Funding Trust Fossil, acting with respect to Series 2021-1, in its capacity as a buyer (together with its permitted successors and assigns in such capacity thereunder, "SPV Buyer"), and together with NCFA Buyer, NSI Buyer and each other entity that may be subsequently added as a party thereto in the capacity of Buyer, each, a "Buyer", and collectively, the "Buyers"), and NCFA, in its capacity as agent pursuant thereto (together with its permitted successors and assigns in such capacity thereunder, "Agent").

All:

1. Compu-Link Corporation d/b/a Celink (the "Subservicer") is subservicing certain mortgage loans ("Mortgage Loans") for Seller pursuant to that certain Amended and Restated Reverse Mortgage Subservicing Agreement, dated as of January 5, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "Subservicing Agreement"), between the Subservicer and the Seller.

(a) Pursuant to the Repurchase Agreement, the Subservicer is hereby notified that the Seller Parties have pledged to Agent for the benefit of Buyers certain Mortgage Loans and REO properties ("Contributed REO Properties"), and together with the Mortgage Loans, each, an "Asset", and collectively, the "Assets"), which are subserviced by Subservicer which are subject to a security interest in favor of Agent for the benefit of Buyers that are subject to the Subservicing Agreement, as identified on Exhibit A hereto (as such Exhibit A may be amended from time to time upon written notice from Agent and Seller).

Exhibit I-1-1

(b) Subservicer agrees to subservice the Assets in accordance with the terms of the Subservicing Agreement and this Subservicer Notice (this "Subservicer Notice") for the benefit of Agent. Agent and Seller each acknowledges and agrees that all rights of Subservicer to compensation, fees, reimbursements, indemnity, and other amounts with respect to the Assets pursuant to the Subservicing Agreement shall not be diminished or altered by this Subservicer Notice. Seller shall retain all such duties or obligations and shall remain liable to Subservicer for any penalty and/or termination fees, indemnities, costs, reimbursements, and expenses, including transfer or deconversion fees, in each case related to the Assets, as provided in and in accordance with the terms of the Subservicing Agreement ("Termination Expenses"). Notwithstanding the foregoing, the Agent agrees to (i) pay Subservicer for any unpaid subservicing fees in respect of the Assets earned by the Subservicer pursuant to the terms of the Subservicing Agreement, (ii) reimburse or advance, as applicable, to Subservicer amounts with respect to any Assets of any Advances (as defined in the Subservicing Agreement) made or to be made by the Subservicer pursuant to the Subservicing Agreement, and (iii) assume, to the extent arising, incurred or occurring on or after the date of delivery of a Notice of Event of Default (as defined below), all of the Seller's indemnification obligations under the Subservicing Agreement with respect to the Assets *except* that the Agent will not assume any such indemnification obligation that results from any breach by Seller of the Subservicing Agreement; provided, that the Agent shall have no obligation to pay, advance and/or reimburse Subservicer for any amounts in respect of unpaid servicing fees and/or Servicing Advances or assume any indemnification obligations as described in clauses (i) through (iii) above until such time it shall have delivered to the Subservicer a notice of an Event of Default (as defined in the Repurchase Agreement) (a "Notice of Event of Default").

2. The Subservicer shall segregate all amounts collected on account of the Assets, hold them in trust for the sole and exclusive benefit of Agent for the benefit of Buyers, and remit such collections in accordance with the below instructions:

(a) Subservicer shall deposit all such amounts received on account of the Assets (including such amounts received from HUD or FHA which shall be allocated to the applicable Asset) subserviced by Subservicer into the Existing Seller Account (as defined below). Subservicer shall remit to the Existing Seller Account, all such amounts (for the sake of clarity, net of all subservicing fees and reimbursement of advances, expenses, indemnity amounts and other amounts due to Subservicer) within [\*\*\*] (as defined in the Subservicing Agreement) following the receipt of such amounts.

(b) Without limiting the generality of the foregoing, with respect to each Asset which is the subject of mortgage insurance authorized under the National Housing Act, as amended from time to time, and provided by the Federal Housing Administration (an "FHA Loan"), Subservicer shall be designated as the mortgagee of record on the FHA HERMIT System (as defined below) and shall submit all claims to HUD under the Subservicer's mortgagee identification number [\*\*\*] on the FHA HERMIT System; provided that, following the delivery of a HUD Nominee Change Notice, the Agent shall be designated as mortgagee of record on the FHA HERMIT System under the Agent's mortgagee number and Subservicer will be designated as the servicer on the FHA HERMIT System to submit claims; provided further, however, that Subservicer reserves the right, upon not less than [\*\*\*] prior written notice to Agent and Seller (and upon receipt of such notice the Seller shall deliver a HUD Nominee Change Notice in accordance with the terms hereof and of the Repurchase Agreement and cooperate with any reasonable requests of the Agent in connection therewith), to cease to be designated as mortgagee of record on the FHA HERMIT System with respect to such Assets if either (i) Subservicer

determines such designation would violate any requirement set forth in the definition of "Accepted Servicing Practices" in the Servicing Agreement or (ii) Servicer changes its servicing policies such that it no longer offers to be designated as mortgagee of record on the FHA HERMIT System for its clients. Servicer shall remit all amounts that are attributable to claim proceeds received by it with respect to the FHA Loans to the Existing Seller Account within [\*\*\*] of receipt. For purposes of this Servicer Notice, "FHA HERMIT System" shall mean HUD's Home Equity Reverse Mortgage Information Technology system for HECM Loans (as defined in the Servicing Agreement), together with any successor HUD electronic access portal.

(c) For purposes of this Servicer Notice, "Existing Seller Account" shall mean the following account: Bank: Texas Capital Bank, N.A., Dallas, Texas, ABA No.: [\*\*\*], Account No.: [\*\*\*], Account Name: Finance of America Reverse LLC fbo Nomura Corporate Funding Americas, LLC.

3. Seller shall furnish to Agent any remittance report promptly after it receives such remittance report from Servicer.

4. (a) Upon receipt of a Notice of Event of Default from Agent in which Agent shall identify the subject Assets under the Repurchase Agreement, the Servicer shall:

(i) continue to segregate all amounts collected on account of the Assets and hold them in trust for the sole and exclusive benefit of Agent and shall remit such collections in accordance with Agent's written instructions;

(ii) follow the instructions of Agent (as if Agent is the Seller under the Servicing Agreement) with respect to the Assets;

(iii) upon Agent's reasonable request made from time to time, deliver to Agent (as if Agent is the Seller under the Servicing Agreement) any information with respect to the Servicer, the Assets or Seller that Seller has a right to request in accordance with the terms of the Servicing Agreement; and

(iv) deliver, or shall cause to deliver, to Agent any notice or report that Servicer delivers to Seller in accordance with the terms of the Servicing Agreement.

(b) Notwithstanding any contrary information which may be delivered to the Servicer by the Seller Parties, the Servicer may conclusively rely on any information or Notice of Event of Default delivered by Agent, and Seller Parties and Agent shall indemnify, jointly and severally, the Servicer for all losses and expenses, including attorneys' fees, arising out of any and all claims asserted against the Servicer for any actions taken in accordance with Agent's instructions in connection with the delivery of such information or Notice of Event of Default. Seller further acknowledges and agrees that Servicer shall not have any liability to Seller for any loss or damage that Seller may claim to have suffered or incurred, either directly or indirectly, by reason of this Servicer Notice or any transaction or service contemplated by the provisions hereof, including, without limitation, claims arising out of Servicer's compliance with Agent's instructions hereunder. For avoidance of doubt, except with respect to any action taken, directly or indirectly, pursuant to or in accordance with this Servicer Notice, including, without limitation, Servicer's compliance with the Agent's instructions hereunder, the Servicer's obligation under the Servicing Agreement shall remain unchanged.

(c) Seller shall remain liable to the Subservicer for any penalty and/or termination fees, indemnities, costs, reimbursements and expenses, including transfer or deconversion fees, as provided in and in accordance with the terms of the Subservicing Agreement (“Termination Expenses”) and such Notice of Event of Default shall be deemed to be a voluntary termination by the Seller (but not by the Subservicer) under Section 6.01 of the Subservicing Agreement with respect to the Assets requiring the payment, among other things, of Termination Expenses with respect to the Assets as set forth in Section 6.03 and Exhibit A of the Subservicing Agreement; provided that Subservicer shall not be required to effectuate such voluntary termination by the Seller unless Subservicer is provided with reasonable assurances from Seller or Agent that Subservicer will receive payment of such Termination Expenses in connection with such voluntary termination.

(d) Subservicer hereby agrees to reasonably cooperate with Agent and any officer or agent thereof, from time to time in Agent’s discretion following the occurrence and continuance of an Event of Default, for the purpose of causing the transfer of the mortgagee of record or the servicer of record on the FHA HERMIT System with respect to the Assets as Agent deems appropriate and to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish such purposes.

5. Upon the occurrence of an Event of Default that is continuing and an event of default under the Subservicing Agreement (a “Subservicer Termination Event”), Agent shall have the right upon prior or substantially concurrent notice to Seller to terminate the Subservicer’s rights and obligations under the Subservicing Agreement with respect to the Assets in accordance with the termination provisions of the Subservicing Agreement (notwithstanding that such rights of Agent upon the occurrence of an Event of Default and a Subservicer Termination Event are not expressly set forth in the Subservicing Agreement). Seller and the Subservicer shall cooperate in transferring the subservicing of the Assets to a successor subservicer appointed by Agent in its sole discretion. Any such termination shall be deemed a termination of Subservicer by Seller under Section 6.02 of the Subservicing Agreement, requiring the payment, among other things, of Termination Expenses to the extent set forth in Section 6.03 and Exhibit A to the Subservicing Agreement; provided that Subservicer shall not be required to effectuate such termination unless Subservicer is provided with reasonable assurances from Seller or Agent that Subservicer will receive payment of such Termination Expenses due to Subservicer under the Subservicing Agreement in connection with such termination.

6. Seller, Subservicer and Agent (each, a “Discloser”) each hereby acknowledges and agrees that all written or computer-readable information regarding this Subservicer Notice and the related fees to the Subservicer (the “Confidential Terms”) shall be, and has been, kept confidential and shall not be, and has not been divulged to any other party without the prior written consent of each Discloser except to the extent that (i) it is necessary to disclose to a Discloser’s affiliates, employees, directors, officers, advisors (including legal counsel, accountants and auditors), representatives and servicers (collectively, the “Representatives”); (ii) it is requested or required by government agencies, regulatory bodies or other legal, governmental or regulatory process in which case each Discloser shall provide prior written notice to each other

Discloser to the extent not prohibited by the applicable law or regulation; provided that no such notice shall be required for routine regulatory examinations of a Discloser; (iii) any of the Confidential Terms are in the public domain other than due to a breach of this covenant; (iv) an event of default under the Repurchase Agreement has occurred and Agent determines such information to be necessary or desirable to disclose in connection with the marketing and sales of the Assets (provided that any prospective buyer shall execute a confidentiality agreement consistent with Agent's customary nondisclosure agreement); or (v) in connection with any assignments, participations or rehypothecations in accordance with the terms of the Repurchase Agreement (provided that any prospective buyer, assignee or participant shall execute a confidentiality agreement consistent with Agent's customary nondisclosure agreement) or otherwise to enforce or exercise Agent's rights hereunder to the extent necessary in connection with the exercise of remedies as determined by Agent in its sole good faith discretion. Each Discloser shall be responsible for any breach of this Section 7 by any of its Representatives. The provisions set forth in this Section 7 shall survive the termination of this Subservicer Notice.

7. (a) If Subservicer incurs costs, fees or expenses as a result of its additional responsibilities under this Subservicer Notice not otherwise provided for under the Subservicing Agreement, Subservicer reserves the right, in its sole discretion, to require Seller to compensate Subservicer for such costs, fees or expenses (the "Notice Fee"); provided that Subservicer shall not be required to effectuate such additional responsibilities unless Subservicer is provided with reasonable assurances from Seller or Agent that Subservicer will receive such payment of such Notice Fee. The Notice Fee shall be in addition to any compensation payable by Seller to Subservicer under the Subservicing Agreement. In addition, Seller shall reimburse Subservicer for its documented attorneys' fees in reviewing this Subservicer Notice within [\*\*\*]of receipt of the related invoice.

(b) Agent or Seller will provide Subservicer with at least [\*\*\*]prior written notice of the termination of Seller's pledge of any Assets. If such notice is not provided at least [\*\*\*]in advance, Subservicer reserves the right to not take any action in connection with the termination of Seller's pledge of such Assets and any related transactions until [\*\*\*]after notice of termination is provided.

8. Agent for the benefit of Buyers shall be an intended third-party beneficiary of the Subservicing Agreement with respect to the Assets, and the parties thereto shall not amend such Subservicing Agreement without the consent of Agent, which may be granted or withheld in its sole discretion.

9. This Subservicer Notice may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Counterparts may be delivered electronically, including by facsimile. The parties agree that this Subservicer Notice, any addendum or amendment hereto or any other document necessary for the consummation of the transaction contemplated by this Subservicer Notice may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent

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as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service providers, as long as such service providers use system logs and audit trails that establish a temporal and process link between the presentation of identity documents and the electronic signing, together with identifying information that can be used to verify the electronic signature and its attribution to the signer's identity and evidence of the signer's agreement to conduct the transaction electronically and of the signer's execution of each electronic signature.

10. This Subservicer Notice and the Subservicing Agreement embody the entire agreement and understanding of the parties hereto and thereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein and therein. No alteration, waiver, amendments, or change or supplement hereto shall be binding or effective unless the same is set forth in writing by a duly authorized representative of each party hereto.

11. THIS SUBSERVICER NOTICE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF, OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH SHALL GOVERN.

12. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(i) AGREES THAT SERVICE OF PROCESS IN ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS SUBSERVICER NOTICE MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO ITS ADDRESS SET FORTH IN THE REPURCHASE AGREEMENT OR AT SUCH OTHER ADDRESS OF WHICH AGENT SHALL HAVE BEEN NOTIFIED; AND

(ii) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION.

13. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUBSERVICER NOTICE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14. Capitalized terms used and not otherwise defined therein shall have the meanings assigned thereto in the Subservicing Agreement.

Please acknowledge receipt of this Subservicer Notice by signing in the signature block below and forwarding an executed copy to Agent promptly upon receipt. Any notices to Agent should be delivered to the following address: Nomura Corporate Funding Americas, LLC, Worldwide Plaza, 309 West 49th Street, New York, New York 10019-7316, Attention: [\*\*\*], Telephone: [\*\*\*], Facsimile: [\*\*\*].

Very truly yours,

**FINANCE OF AMERICA REVERSE LLC**, as Seller

By: \_\_\_\_\_  
Name:  
Title:

**FAR REO SUB I LLC**, as REO Subsidiary

By: \_\_\_\_\_  
Name:  
Title:

ACKNOWLEDGED:

**COMPU-LINK CORPORATION d/b/a CELINK**, as  
Servicer

By: \_\_\_\_\_  
Name:  
Title:

**NOMURA CORPORATE FUNDING AMERICAS, LLC**,  
as Agent

By: \_\_\_\_\_  
Name:  
Title:

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**Exhibit A**

Assets

Exh. I-1-8

RESERVED

Exh. I-2-1

## FORM OF SERVICER NOTICE AND PLEDGE

[Date]

[\_\_\_\_\_] , as Servicer  
 [ADDRESS]  
 Attention: \_\_\_\_\_

Re: Amended and Restated Master Repurchase Agreement, dated as of June 28, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), by and among Finance of America Reverse LLC, in its capacity as seller (the "Seller"), FAR REO Sub I LLC, in its capacity as REO subsidiary (the "REO Subsidiary"), and together with Seller, each, a "Seller Party", and collectively, the "Seller Parties"), Nomura Corporate Funding Americas, LLC ("NCFA"), in its capacity as a buyer ("NCFA Buyer"), Nomura Securities International, Inc., in its capacity as a buyer ("NSI Buyer"), Oakdale Secured Funding Trust Fossil, acting with respect to Series2021-1, in its capacity as a buyer (together with its permitted successors and assigns in such capacity thereunder, "SPV Buyer"), and together with NCFA Buyer, NSI Buyer and each other entity that may be subsequently added as a party thereto in the capacity of Buyer pursuant to a Joinder Agreement, each, a "Buyer", and collectively, the "Buyers"), and NCFA, in its capacity as agent pursuant thereto (together with its permitted successors and assigns in such capacity thereunder, "Agent").

All:

Pursuant to the Agreement, Servicer is hereby notified that Seller has conveyed and pledged to Agent certain Mortgage Loans the beneficial ownership of which are then pledged to Agent under the Agreement (the "Mortgage Loans"), which are serviced by [\_\_\_\_\_] (the "Servicer") pursuant to that certain Servicing Agreement, dated as of [\_\_\_\_\_, 20\_\_] (as amended, restated, supplemented or otherwise modified from time to time, the "Servicing Agreement"), by and between the Servicer and the Seller. Capitalized terms used herein but not herein defined shall have the meanings ascribed thereto in the Agreement.

**Section 1. Servicing Rights and Grant of Security Interest**

(a) Servicer acknowledges that the Mortgage Loans are being serviced on a servicing released basis. In the event that Servicer is deemed to retain any rights to servicing, Agent and Servicer hereby agree that in order to further secure the Seller's Obligations under the Agreement, Servicer hereby grants, assigns and pledges to Agent for the benefit of Buyers a fully perfected first priority security interest in all its rights to service (if any) related to the Mortgage Loans and all proceeds related thereto and in all instances, whether now owned or hereafter acquired, now existing or hereafter created (the "Servicing Assets").

Exh. I-3-1

(b) The foregoing provision is intended to constitute a security agreement or other arrangement or other credit enhancement related to the Agreement and Transactions thereunder as defined under Sections 741(7)(A)(xi) and 101(47)(A)(v) of the Bankruptcy Code.

(c) Servicer agrees to execute, deliver and/or file such documents and perform such acts as may be reasonably necessary to fully perfect Agent's security interest created hereby. Furthermore, Servicer hereby authorizes Agent to file financing statements relating to the security interest set forth herein, as Agent, at its option, may deem appropriate.

(d) Servicer waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations under the Agreement and notice or proof of reliance by Agent upon this side letter (this "Servicer Notice and Pledge"). Servicer hereby waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Seller with respect to the Obligations.

(e) Agent shall have all rights and remedies against Servicer and the Servicing Assets as set forth herein, and the Servicing Assets shall be considered for all purposes Repurchase Assets under the Agreement and Agent shall have all rights and remedies under the Agreement with respect to the Servicing Assets, which are incorporated by reference herein.

**Section 2. Notice of Default**

(a) Servicer shall segregate all amounts collected on account of such Mortgage Loans, hold them in trust for the sole and exclusive benefit of Agent, and remit such collections in accordance with the below instructions. Servicer shall follow the instructions of Agent with respect to the Mortgage Loans, and shall deliver to Agent any information with respect to the Mortgage Loans reasonably requested by Agent. Seller hereby notifies and instructs the Servicer and the Servicer is hereby authorized and instructed to remit any and all amounts which would be otherwise payable to Seller with respect to the Mortgage Loans to the following account no later than [\*\*\*]following receipt thereof which instructions are irrevocable without the prior written consent of Agent:

[BANK]  
[ADDRESS]  
Account No. [\_\_\_\_\_] ]  
ABA No. [\_\_\_\_\_] ]  
Beneficiary: Nomura Corporate Funding Americas, LLC  
RE: [\_\_\_\_\_] ]

(b) To the extent that HUD deducts, from amounts otherwise due on account of a Mortgage Loan subject to the Agreement, any amounts owing by Servicer to HUD, Servicer shall give prompt written notice thereof to Seller and Agent and shall deposit, within [\*\*\*]following notice or knowledge of such deduction by HUD, such deducted amounts into the Collection Account.

(c) Upon written notice following the occurrence and during the continuance of an Event of Default, Agent shall have the right to (a) redirect the Servicer to remit funds in accordance with Agent's instructions and (b) immediately terminate Servicer's right to service the Mortgage Loans without payment of any penalty or termination fee under the Servicing Agreement. Upon receipt of such notice, Seller and the Servicers shall cooperate in transferring the applicable servicing of the Mortgage Loans to a successor servicer appointed by Agent in its sole discretion.

(d) Notwithstanding any contrary information which may be delivered to the Servicer by Seller, the Servicer may conclusively rely on any information or notice of Event of Default delivered by Agent, and Seller shall indemnify and hold the Servicer harmless for any and all claims asserted against it for any actions taken in good faith by the Servicer in connection with the delivery of such information or notice of Event of Default.

(e) Agent for the benefit of Buyers shall be an intended third-party beneficiary of the Servicing Agreement, and the parties thereto shall not amend such Servicing Agreement without the consent of Agent, which may be granted or withheld in its sole discretion.

(f) Concurrently with the delivery of any remittance report to the Seller, the Servicer shall also deliver a copy of such remittance report to the Agent.

**Section 3. Counterparts.** This Servicer Notice and Pledge may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Counterparts may be delivered electronically or via facsimile. The parties agree that this Servicer Notice and Pledge, any addendum or amendment hereto or any other document necessary for the consummation of the transaction contemplated by this Servicer Notice and Pledge may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures In Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service providers, as long as such service providers use system logs and audit trails that establish a temporal and process link between the presentation of identity documents and the electronic signing, together with identifying information that can be used to verify the electronic signature and its attribution to the signer's identity and evidence of the signer's agreement to conduct the transaction electronically and of the signer's execution of each electronic signature.

**Section 4. Entire Agreement.** This Servicer Notice and Pledge and the other Facility Documents embody the entire agreement and understanding of the parties hereto and thereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein and therein. No alteration, waiver, amendments, or change or supplement hereto shall be binding or effective unless the same is set forth in writing by a duly authorized representative of each party hereto.

**Section 5. Governing Law; Jurisdiction; Waiver of Trial by Jury.**

(a) THIS SERVICER NOTICE AND PLEDGE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF, OTHER THAN SECTION 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH SHALL GOVERN.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(i) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SERVICER NOTICE AND PLEDGE AND/OR ANY OTHER FACILITY DOCUMENT, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(ii) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(iii) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO ITS ADDRESS SET FORTH IN THE AGREEMENT OR AT SUCH OTHER ADDRESS OF WHICH BUYER SHALL HAVE BEEN NOTIFIED; AND

(iv) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SERVICER NOTICE AND PLEDGE, ANY OTHER FACILITY DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[remainder of page intentionally left blank]

Exh. I-3-4

Please acknowledge receipt of this instruction letter by signing in the signature block below and forwarding an executed copy to Agent promptly upon receipt. Any notices to Agent should be delivered to the following address: Nomura Corporate Funding Americas, LLC, Worldwide Plaza, 309 West 49th Street, New York, New York 10019-7316, Attention: [\*\*\*], Telephone: [\*\*\*], Facsimile: [\*\*\*].

Very truly yours,

**NOMURA CORPORATE FUNDING AMERICAS, LLC,**  
as Agent

By: \_\_\_\_\_  
Name:  
Title:

**FINANCE OF AMERICA REVERSE LLC,** as Seller

By: \_\_\_\_\_  
Name:  
Title:

**[AFFILIATED SERVICER],** as Servicer

By: \_\_\_\_\_  
Name:  
Title:

Exh. I-3-5

**FORM OF POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that [FINANCE OF AMERICA REVERSE LLC][FAR REO SUB I LLC] ("**Seller Party**") hereby irrevocably constitutes and appoints NOMURA CORPORATE FUNDING AMERICAS, LLC ("**Agent**") and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Seller Party and in the name of Seller Party or in its own name, from time to time in Agent's discretion:

(a) in the name of Seller Party, or in its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any assets purchased by Agent on behalf of Buyers under the Amended and Restated Master Repurchase Agreement, dated June 28, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "**Agreement**") (the "**Assets**") and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any and all such moneys due with respect to any other assets whenever payable;

(b) to pay or discharge taxes and liens levied or placed on or threatened against the Assets;

(c) (i) to direct any party liable for any payment under any Assets to make payment of any and all moneys due or to become due thereunder directly to Agent or as Agent shall direct, including, without limitation, any payment agent with respect to any Asset; (ii) to send "goodbye" letters on behalf of Seller Party and Servicer; (iii) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Assets; (iv) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any Assets; (v) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Assets or any proceeds thereof and to enforce any other right in respect of any Assets; (vi) to defend any suit, action or proceeding brought against Seller Party with respect to any Assets; (vii) to settle, compromise or adjust any suit, action or proceeding described in clause (vi) above and, in connection therewith, to give such discharges or releases as Agent may deem appropriate; (viii) to cause the mortgagee ID with respect to each HECM Loan to be transferred to any successor to such HECM Loan or its agent as determined by Agent; and (ix) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Assets as fully and completely as though Agent were the absolute owner thereof for all purposes, and to do, at Agent's option and Seller Party's expense, at any time, and from time to time, all acts and things which Agent deems necessary to protect, preserve or realize upon the Assets and Agent's Liens thereon and to effect the intent of the Agreement, all as fully and effectively as Seller Party might do;

Exh. J-1

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(d) for the purpose of carrying out the transfer of servicing with respect to the Assets from Seller Party to a successor servicer appointed by Agent in its sole discretion and to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish such transfer of servicing, and, without limiting the generality of the foregoing, Seller Party hereby gives Agent the power and right, on behalf of Seller Party, without assent by Seller Party, to, in the name of Seller Party or its own name, or otherwise, prepare and send or cause to be sent "good-bye" letters to all mortgagors under the Assets, transferring the servicing of the Assets to a successor servicer appointed by Agent in its sole discretion;

(e) for the purpose of delivering any notices of sale to mortgagors or other third parties, including without limitation, those required by law.

Seller Party hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

Seller Party also authorizes Agent, from time to time, to execute, in connection with any sale, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Assets.

The powers conferred on Agent hereunder are solely to protect Agent's interests in the Assets and shall not impose any duty upon it to exercise any such powers. Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Seller Party for any act or failure to act hereunder, except for its or their own gross negligence or willful misconduct.

TO INDUCE ANY THIRD PARTY TO ACT HEREUNDER, SELLER PARTY HEREBY AGREES THAT ANY THIRD PARTY RECEIVING A DULY EXECUTED COPY OR FACSIMILE OF THIS INSTRUMENT MAY ACT HEREUNDER, AND THAT REVOCATION OR TERMINATION HEREOF SHALL BE INEFFECTIVE AS TO SUCH THIRD PARTY UNLESS AND UNTIL ACTUAL NOTICE OR KNOWLEDGE OF SUCH REVOCATION OR TERMINATION SHALL HAVE BEEN RECEIVED BY SUCH THIRD PARTY, AND AGENT ON ITS OWN BEHALF AND ON BEHALF OF AGENT'S ASSIGNS, HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS ANY SUCH THIRD PARTY FROM AND AGAINST ANY AND ALL CLAIMS THAT MAY ARISE AGAINST SUCH THIRD PARTY BY REASON OF SUCH THIRD PARTY HAVING RELIED ON THE PROVISIONS OF THIS INSTRUMENT.

[REMAINDER OF PAGE INTENTIONALLY BLANK. SIGNATURES FOLLOW.]

Exh. J-2

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IN WITNESS WHEREOF Seller Party has caused this power of attorney to be executed and Seller Party's seal to be affixed this \_\_ day of [\_\_\_\_], 2021.

[FINANCE OF AMERICA REVERSE LLC][FAR  
REO SUB I LLC] (Seller Party)

By: \_\_\_\_\_  
Name:  
Title:

Exh. J-3

Acknowledgment of Execution by Seller Party  
(Principal):

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

ss.:

On the \_\_ day of [\_\_\_\_], 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity as \_\_\_\_\_ for [FINANCE OF AMERICA REVERSE LLC][FAR REO SUB I LLC] and that by their signature on the instrument, the person upon behalf of which the individual acted, executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand affixed my office seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_

**AGENT'S WIRE INSTRUCTIONS**

**For Cash:**

Bank Name: Bank of America NA, New York  
ABA No.: [\*\*\*]  
Account Name: NOMURA CORP FUNDING AMERICA LLC  
Account No.: [\*\*\*]  
Reference: FAR

Exh. K

**SELLER'S AND DISBURSEMENT AGENT'S WIRE INSTRUCTIONS**

Seller:

Bank Name: Texas Capital Bank  
ABA: [\*\*\*]  
Account Number: [\*\*\*]  
Account Name: Finance of America Reverse LLC – Operating  
Contacts for Verification: [\*\*\*], [\*\*\*]

Disbursement Agent:

Bank Name: Deutsche Bank Trust Company Americas  
ABA: [\*\*\*]  
Account Number: [\*\*\*]  
Account Name: NYLTD Funds Control – NY  
FFC Section: PORT UF151C.1 Disbursement Account  
\* Note: Leave a space between PORT and UF151C.1

Exh. L

**FORM OF JOINDER AGREEMENT**

JOINDER AGREEMENT AND OMNIBUS AMENDMENT (this "Agreement"), dated as of [\_\_\_\_], among Finance of America Reverse LLC, in its capacity as seller (the "Seller"), FAR REO Sub I LLC, in its capacity as REO subsidiary (the "REO Subsidiary"), and together with the Seller, each, a "Seller Party", and collectively, the "Seller Parties"), Nomura Corporate Funding Americas, LLC ("NCFA"), in its capacity as a buyer ("NCFA Buyer"), Nomura Securities International, Inc., in its capacity as a buyer ("NSI Buyer"), Oakdale Secured Funding Trust Fossil, acting with respect to Series 2021-1, in its capacity as a buyer (together with its permitted successors and assigns in such capacity hereunder, "SPV Buyer"), and, together with NCFA Buyer, NSI Buyer and each other entity that may be subsequently added as a party thereunder in the capacity of Buyer pursuant to a Joinder Agreement, each, a "Buyer", and collectively, the "Buyers"), NCFA, in its capacity as agent (together with its permitted successors and assigns in such capacity thereunder, "Agent") and [\_\_\_\_], a [state][entity type] (the "Joining Buyer").

## RECITALS

WHEREAS, (i) Seller Parties, Buyers and Agent entered into that certain Amended and Restated Master Repurchase Agreement, dated as of June 28, 2021 (as amended, joined, restated, supplemented or otherwise modified from time to time, the "Repurchase Agreement"), (ii) Buyers and Agent entered into the Master Administration Agreement, dated as of June 28, 2021 (as amended, joined, restated, supplemented or otherwise modified from time to time, the "Administration Agreement"), and (iii) Buyers entered into each other Facility Document listed on Schedule I hereto (together with the Repurchase Agreement and the Administration Agreement, the "Existing Facility Documents");

WHEREAS, the parties hereto each desire to add Joining Buyer as a Buyer under the Existing Facility Documents, as set forth in this Agreement;

WHEREAS, the parties hereto agree that as of the Effective Date, the Joining Buyer shall be a Buyer; and

WHEREAS, the parties hereto agree to amend each Existing Facility Document as provided herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Defined Terms. Any terms capitalized but not otherwise defined herein shall have the respective meanings set forth in the Repurchase Agreement.

2. Amendment to Documents. As of the Effective Date, each Existing Facility Document is hereby amended to add the Joining Buyer as a Buyer thereunder and thereafter, all references to "Buyer" and "Buyers" in this Agreement, the Repurchase Agreement, the Administration Agreement and any of the other Existing Facility Documents shall be deemed to include each of the Buyers and the Joining Buyer, as the context shall require. Notwithstanding the foregoing or anything contained herein to the contrary, as a condition precedent to the effectiveness of this Agreement, Agent shall have received from the Joining Buyer, each Buyer and each Seller Party a signed counterpart to this Agreement.

3. Agreements of Joining Buyer as a Buyer. Each Joining Buyer hereby agrees to be bound by, and comply with, the terms and conditions of the Existing Facility Documents, as a Buyer, including, without limitation, any terms relating to the compliance with all covenants as set forth in the Repurchase Agreement, the Administration Agreement and each other Existing Facility Document.

4. Further Assurances. Each party hereto shall each take any and all further actions and execute and deliver any and all such further documents and undertakings as are necessary or reasonably requested by the other parties to effectuate the purposes of this Agreement in accordance with Section 13(g) of the Repurchase Agreement. The undertakings set forth in this Section 4 shall survive the execution and delivery of this Agreement.

5. Limited Effect. Except as expressly amended and modified by this Agreement, each of the Facility Documents shall continue in full force and effect in accordance with its terms. Reference to this Agreement need not be made in any Facility Document or any other instrument or document executed in connection therewith or herewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, any Facility Document, any reference in any of such items to any Facility Document being sufficient to refer to such Facility Document as amended hereby.

6. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

7. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK IN ACCORDANCE WITH SECTION 27 OF THE REPURCHASE AGREEMENT.

8. Counterparts. This Agreement may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Counterparts may be delivered electronically. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Agreement, any addendum or amendment hereto or any other document necessary for the consummation of the transaction contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures In Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service providers, as long as such service providers use system logs and audit

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trails that establish a temporal and process link between the presentation of identity documents and the electronic signing, together with identifying information that can be used to verify the electronic signature and its attribution to the signer's identity and evidence of the signer's agreement to conduct the transaction electronically and of the signer's execution of each electronic signature.

9. Notices. The address of each Joining Buyer for receiving notices and for all other purposes of the Existing Facility Documents is as follows:

[Buyer Name]  
[Address]  
[Attention]

10. Limitation of Liability. The SPV Buyer is a Delaware statutory trust and a separate legal entity under the Delaware Statutory Trust Act and pursuant to such act a trustee, when acting in such capacity, is not personally liable to any person (other than the statutory trust or any beneficial owner thereof) for any act, omission or obligation of a statutory trust. In furtherance thereof, the parties hereto are put on notice and hereby acknowledge and agree that (a) this Agreement is executed and delivered by Wilmington Savings Fund Society, FSB ("WSFS"), not individually or personally but solely as trustee of the SPV Buyer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the SPV Buyer is made and intended not as personal representations, undertakings and agreements by WSFS but is made and intended for the purpose of binding only the SPV Buyer, (c) nothing herein contained shall be construed as creating any liability on WSFS, SPV Buyer or personally, to perform any covenant either expressed or implied contained herein of the Participant, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto, (d) WSFS has made no investigation as to the accuracy or completeness of any representations and warranties made by the SPV Buyer in this Agreement and (e) under no circumstances shall WSFS be personally liable for the payment of any indebtedness or expenses of the SPV Buyer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the SPV Buyer under this Agreement or any other related documents. *[Expand to cover Joining Buyer as well if Joining Buyer is a trust]*

[SIGNATURE PAGE TO FOLLOW]

Exh. M-3

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Schedule I

Exh. M-4

Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed

**EXECUTION****AMENDMENT NO. 5  
TO MASTER REPURCHASE AGREEMENT**

This Amendment No. 5 to Master Repurchase Agreement, dated as of June 21, 2021 (this "Amendment"), by and between Finance of America Mortgage LLC ("Seller") and Nomura Corporate Funding Americas, LLC ("Buyer").

**RECITALS**

Buyer and Seller are parties to that certain Master Repurchase Agreement, dated as of October 28, 2019 (as amended by that certain Amendment No. 1 to Master Repurchase Agreement, dated as of April 15, 2020, that certain Amendment No. 2 to Master Repurchase Agreement, dated as of April 17, 2020, that certain Amendment No. 3 to Master Repurchase Agreement, dated as of October 27, 2020, and that certain Amendment No. 4 to Master Repurchase Agreement, dated as of December 11, 2020, the "Existing Repurchase Agreement"; and as further amended by this Amendment, the "Repurchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Existing Repurchase Agreement.

Buyer and Seller have agreed, subject to the terms and conditions of this Amendment, that the Existing Repurchase Agreement be amended to reflect certain agreed upon revisions to the terms of the Existing Repurchase Agreement.

Accordingly, Buyer and Seller hereby agree, in consideration of the mutual promises and mutual obligations set forth herein, that the Existing Repurchase Agreement is hereby amended as follows:

SECTION 1. Amendments to Existing Repurchase Agreement. Effective as of the date hereof, the Existing Repurchase Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Exhibit A hereto. The parties hereto further acknowledge and agree that Exhibit A constitutes the conformed agreement as amended and modified by the terms set forth herein.

SECTION 2. Conditions Precedent. This Amendment shall become effective as of the date hereof, subject to Buyer's receipt of this Amendment and that certain Amendment No. 6 to Pricing Side Letter, in each case, executed and delivered by Seller and Buyer.

SECTION 3. Limited Effect. Except as expressly amended and modified by this Amendment, the Existing Repurchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms and the execution of this Amendment.

SECTION 4. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Counterparts may be delivered electronically. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Amendment and all matters related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Amendment, any addendum or amendment hereto or any other document necessary for the consummation of the transaction contemplated by this Amendment may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures In Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service providers, as long as such service providers use system logs and audit trails that establish a temporal and process link between the presentation of identity documents and the electronic signing, together with identifying information that can be used to verify the electronic signature and its attribution to the signer's identity and evidence of the signer's agreement to conduct the transaction electronically and of the signer's execution of each electronic signature.

SECTION 5. Severability. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

**SECTION 6. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF, OTHER THAN SECTION 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH SHALL GOVERN.**

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, the parties have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

**NOMURA CORPORATE FUNDING  
AMERICAS, LLC, as Buyer**

By: /s/ Sanil Patel  
Name: Sanil Patel  
Title: Managing Director

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Signature Page to Amendment No. 5 to Master Repurchase Agreement

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**FINANCE OF AMERICA MORTGAGE LLC, as Seller**

By: /s/ Robert Conway

Name: Robert Conway

Title: Treasurer

Signature Page to Amendment No. 5 to Master Repurchase Agreement

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Exhibit A

CONFORMED AGREEMENT

(See attached)

**MASTER REPURCHASE AGREEMENT**

between

**NOMURA CORPORATE FUNDING AMERICAS, LLC,**  
as Buyer

and

**FINANCE OF AMERICA MORTGAGE LLC,**  
as Seller

Dated as of October 28, 2019

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**TABLE OF CONTENTS**

	<b>Page</b>
SECTION 1. APPLICABILITY; TRANSACTION OVERVIEW	1
SECTION 2. DEFINITIONS	1
SECTION 3. NO COMMITMENT ABOVE THE COMMITTED PURCHASE PRICE; INITIATION; TERMINATION	25
SECTION 4. MARGIN AMOUNT MAINTENANCE	33
SECTION 5. INCOME PAYMENTS	34
SECTION 6. REQUIREMENTS OF LAW	35
SECTION 7. TAXES	36
SECTION 8. SECURITY INTEREST; BUYER'S APPOINTMENT AS ATTORNEY-IN-FACT	39
SECTION 9. PAYMENT, TRANSFER AND CUSTODY	42
SECTION 10. HYPOTHECATION OR PLEDGE OF PURCHASED ASSETS	42
SECTION 11. FEES	43
SECTION 12. REPRESENTATIONS	43
SECTION 13. COVENANTS OF SELLER	48
SECTION 14. EVENTS OF DEFAULT	55
SECTION 15. REMEDIES	57
SECTION 16. INDEMNIFICATION AND EXPENSES	60
SECTION 17. SERVICING	61
SECTION 18. RECORDING OF COMMUNICATIONS	62
SECTION 19. DUE DILIGENCE	63
SECTION 20. ASSIGNABILITY	64
SECTION 21. TRANSFER AND MAINTENANCE OF REGISTER	65

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SECTION 22.	TAX TREATMENT	65
SECTION 23.	SET-OFF	65
SECTION 24.	TERMINABILITY	65
SECTION 25.	NOTICES AND OTHER COMMUNICATIONS	66
SECTION 26.	ENTIRE AGREEMENT; SEVERABILITY; SINGLE AGREEMENT	66
SECTION 27.	GOVERNING LAW	66
SECTION 28.	SUBMISSION TO JURISDICTION; WAIVERS	67
SECTION 29.	NO WAIVERS, ETC	67
SECTION 30.	NETTING	67
SECTION 31.	CONFIDENTIALITY	68
SECTION 32.	INTENT	69
SECTION 33.	RESERVED	71
SECTION 34.	CONFLICTS	71
SECTION 35.	AUTHORIZATIONS	71
SECTION 36.	RESERVED	71
SECTION 37.	MISCELLANEOUS	72
SECTION 38.	GENERAL INTERPRETIVE PRINCIPLES	73

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SCHEDULE 1	REPRESENTATIONS AND WARRANTIES RE: MORTGAGE LOANS
SCHEDULE 2	AUTHORIZED REPRESENTATIVES
EXHIBIT A	RESERVED
EXHIBIT B	FAM UNDERWRITING GUIDELINES
EXHIBIT C	SELLER'S TAX IDENTIFICATION NUMBER
EXHIBIT D	<del>RESERVED</del> <a href="#">SERVICING ANNEX</a>
EXHIBIT E	<del>RESERVED</del> <a href="#">THIRD PARTY WIRE INSTRUCTIONS</a>
EXHIBIT F	FORM OF SECTION 7 CERTIFICATE
EXHIBIT G	ASSET SCHEDULE FIELDS
EXHIBIT H	FORM OF ESCROW INSTRUCTION LETTER
EXHIBIT I	RESERVED
EXHIBIT J	FORM OF SELLER POWER OF ATTORNEY

## MASTER REPURCHASE AGREEMENT

This is a MASTER REPURCHASE AGREEMENT, dated as of October 28, 2019, between FINANCE OF AMERICA MORTGAGE LLC, a Delaware limited liability company (the “Seller”) and NOMURA CORPORATE FUNDING AMERICAS, LLC, a Delaware limited liability company (the “Buyer”).

Section 1. Applicability; Transaction Overview. Subject to the terms and conditions set forth herein, from time to time and at the request of Seller, the parties may enter into transactions in which Seller agrees to sell, transfer and assign to Buyer certain Purchased Assets on a servicing-released basis, against the transfer of funds by Buyer representing the Purchase Price for such Purchased Assets, with a simultaneous agreement by Buyer to transfer to Seller and Seller to repurchase such Purchased Assets in a repurchase transaction at a date not later than the Termination Date, against the transfer of funds by Seller representing the Repurchase Price for such Purchased Assets. Each such transaction involving the purchase and sale of additional Mortgage Loans shall be referred to herein as a “Transaction” and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in any annexes identified herein, as applicable hereunder. This Agreement is not a commitment by Buyer to engage in the Transactions, but sets forth the requirements under which the Buyer would consider entering into Transactions set forth herein.

Section 2. Definitions. As used herein, the following terms shall have the following meanings.

“Accelerated Repurchase Date” shall have the meaning set forth in Section 15(a)(i) hereof.

“Accepted Servicing Practices” shall mean, with respect to any Mortgage Loan, those mortgage servicing practices of prudent mortgage lending institutions which service mortgage loans (a) of the same type as such Mortgage Loan in the jurisdiction where the related Mortgaged Property is located, and (b) consistent with the degree of skill and care that such servicers customarily require with respect to similar Mortgage Loans owned or managed by such servicers, and that are in accordance with all applicable Federal, State and local laws and regulations, including the servicing standards promulgated by the Consumer Financial Protection Bureau.

“Additional Acceptable Assets” shall mean collateral acceptable to Buyer in its sole discretion which can be delivered and perfected in a manner acceptable to Buyer such as, but not limited to, Eligible Mortgage Loans or government issued or guaranteed securities.

“Adjusted Principal Balance” shall mean, with respect to any Mortgage Loan, the unpaid principal balance of such Mortgage Loan as of any date of determination.

“Affiliate” shall mean with respect to any Person, any “affiliate” of such Person, as such term is defined in the Bankruptcy Code; provided, however, that for purposes of this Agreement and the other Facility Documents, “Affiliates” of the Seller shall be limited to Finance of America Holdings, LLC and its Subsidiaries.

“Agency” shall mean Fannie Mae or Freddie Mac, as applicable.

“Agency Approval” shall have the meaning set forth in Section 12(l) hereof.

“Agency Guidelines” shall mean, with respect to any Mortgage Loan, the applicable Underwriting Guidelines set forth in clause (i) of the definition of “Underwriting Guidelines.”

“Agency Mortgage Loan” shall mean a Mortgage Loan that (i) was underwritten in accordance with the applicable Agency Guidelines and otherwise satisfies all requirements for purchase by the Agencies and (ii) satisfies the applicable eligibility criteria set forth on Schedule 2 to the Pricing Side Letter (as the same may be updated or modified from time to time, by mutual written consent (including via email) of Buyer and Seller).

“Aggregate Asset Value” shall mean, as of any date of determination, the sum of the Asset Value of all Purchased Assets.

“Aggregate Facility Repurchase Price” shall mean, as of any date of determination, the sum of the Repurchase Prices (excluding from the definition of Repurchase Price any amounts calculated pursuant to clause (B) of such definition) of all Purchased Assets.

“Agreement” shall mean this Master Repurchase Agreement between Buyer and Seller, dated as of the date hereof, as the same may be amended, restated, supplemented or otherwise modified in accordance with the terms hereof.

“Anti-Money Laundering Laws” shall have the meaning set forth in Section 12(bb) hereof.

“Appraisal” shall mean a FIRREA-compliant appraisal report provided by an appropriately state licensed or certified appraiser indicating the market value of the related Mortgaged Property, incorporating, an interior inspection of the residence on such Mortgaged Property and obtained in conformity with customary and usual business practices, relative state and federal laws, and regulatory guidelines. Such appraisal report will generally include a minimum of [\*\*\*] comparable sales that support the value.

“Appraisal Value” shall mean, with respect to any Mortgage Loan, the appraised value of the related Mortgaged Property as set forth in the Appraisal or AVM or BPO as permitted under the Pricing Side Letter.

“Asset Detail and Exception Report” shall have the meaning set forth in the Custodial Agreement.

“Asset File” shall have the meaning set forth in the Custodial Agreement.

“Asset Schedule” shall mean with respect to any Transaction as of any date, an asset schedule in the form of a computer tape or other electronic medium (including an Excel spreadsheet) generated by Seller and delivered to Buyer and the Custodian, which provides information (including, without limitation, the information set forth on Exhibit G attached hereto) relating to the Purchased Assets and Eligible Mortgage Loans in a format reasonably acceptable to Buyer.

“Asset Value” shall mean, as of any date of determination, with respect to each Purchased Asset, an amount equal to the product of (i) the related Purchase Price Percentage with respect to such Purchased Asset, (ii) the Market Value of such Purchased Asset (expressed as a percentage of par) and (iii) the Adjusted Principal Balance of such Purchased Asset; provided that

(a) the Asset Value shall be deemed to be zero (unless otherwise determined by Buyer in writing in its sole discretion) with respect to any Purchased Asset as to which a Purchased Asset Issue has occurred; or

(b) if the Aggregate Asset Value for any type of Purchased Asset exceeds any applicable Concentration Limit, the Asset Value of such Purchased Assets shall be deemed to be zero (unless otherwise determined by Buyer in writing in its sole discretion) until the Aggregate Asset Value for such type of Purchased Assets, as applicable, is less than or equal to the applicable Concentration Limit.

(c) if there exists a violation of any Weighted Average Criteria, then the Aggregate Asset Value of the applicable Purchased Assets (as determined by Buyer) which causes such violation shall be deemed to be zero (unless otherwise determined by Buyer in writing in its sole discretion) such that there is no violation of the Weighted Average Criteria on account of Purchased Assets that are not attributed an Asset Value of zero.

“Assignment and Acceptance” shall have the meaning set forth in Section 20 hereof.

“Assignment of Mortgage” shall mean an assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect the sale of the Mortgage.

“ATR Rules” ~~shall mean~~ ability to repay requirements of 12 CFR § 1026.43(c).

“AUS Number” shall mean with respect to an Agency Mortgage Loan, the agency case number generated by Fannie Mae or Freddie Mac, as applicable and appearing in the credit file.

“Authorized Representative” shall mean, for the purposes of this Agreement only, an agent or Responsible Officer of Seller listed on Schedule 2 hereto, as such Schedule 2 may be amended from time to time.

“Bailee Letter” shall mean a bailee letter substantially in the form prescribed by the Custodial Agreement or otherwise approved in writing by Buyer.

“Bankruptcy Code” shall mean the United States Bankruptcy Code of 1978, as amended from time to time.

“Business Day” shall mean a day other than (i) a Saturday or Sunday, (ii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the State of New York, or (iii) any day on which the New York Stock Exchange is closed.

“Buyer” shall mean Nomura Corporate Funding Americas, LLC, its successors in interest and assigns, and with respect to Section 7, its participants.

“Capital Lease Obligations” shall mean, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

“Capital Markets Transaction” shall have the meaning provided in the Pricing Side Letter.

“Capital Stock” shall mean, as to any Person, any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent equity ownership interests in a Person which is not a corporation, including, without limitation, any and all member or other equivalent interests in any limited liability company, limited partnership, trust, and any and all warrants or options to purchase any of the foregoing, in each case, designated as “securities” (as defined in Section 8-102 of the Uniform Commercial Code) in such Person, including, without limitation, all rights to participate in the operation or management of such Person and all rights to such Person’s properties, assets, interests and distributions under the related organizational documents in respect of such Person. “Capital Stock” also includes (i) all accounts receivable arising out of the related organizational documents of such Person; (ii) all general intangibles arising out of the related organizational documents of such Person; and (iii) to the extent not otherwise included, all proceeds of any and all of the foregoing (including within proceeds, whether or not otherwise included therein, any and all contractual rights under any revenue sharing or similar agreement to receive all or any portion of the revenues or profits of such Person).

“Closing Date” shall mean October 28, 2019.

“Closing Protection Letter” shall mean, with respect to any Wet-Ink Mortgage Loan, the related closing protection letter in form and substance as mutually agreed to between Buyer and Seller.

“Change in Control” shall mean:

(a) any transaction or event as a result of which UFG Holdings LLC or one of its wholly-owned Subsidiaries ceases to directly or indirectly own[\*\*\*] of the Capital Stock of Seller; provided, that the non-voting stock of the Seller issued and outstanding as of the date of this Agreement shall not be considered a Change in Control for purposes of this clause (a); or

(b) the sale, transfer, or other disposition of all or substantially all of Seller’s assets (excluding any such action taken in connection with any securitization and/or any lending/warehousing transaction).

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Collection Account” shall mean, with respect to any Servicer, the segregated account established by Seller at the Collection Account Bank into which all Income received on account of the Mortgage Loans serviced or subserviced by such Servicer shall be deposited in accordance with the terms of the related Servicer Notice.

“Collection Account Bank” shall mean Texas Capital Bank, N.A. or any other depository institution approved by Buyer in its sole discretion.

“Collection Account Control Agreement” shall mean the agreement regarding the Collection Account among Seller, Buyer and Collection Account Bank, which shall provide for Buyer control as of the date of execution and shall be in form and substance acceptable to Buyer, as the same may be amended from time to time.

“Collection Period” shall mean the period commencing on the [\*\*\*] of the month (or, in the case of the first Collection Period for a given Transaction, on the Purchase Date for such Transaction) up to but not including the [\*\*\*] of the following month.

“Concentration Limit” shall have the meaning set forth in the Pricing Side Letter.

“Confidential Information” shall have the meaning set forth in Section 31(b) hereof.

“Confidential Terms” shall have the meaning set forth in Section 31(a) hereof.

“Confirmation” shall mean a confirmation in form and substance acceptable to Buyer and Seller (which may be via electronic medium, including in the form of an Asset Schedule), which shall include in any case (1) the related Asset Schedule, (2) (a) the Purchase Date, (b) the aggregate Purchase Price, (c) the Repurchase Date, (d) the Pricing Rate applicable to the Purchase Price, (e) the Purchase Price Percentage, and (f) additional terms or conditions not inconsistent with this Agreement, together with a calculation of the Concentration Limits and Weighted Average Criteria (in each case, following consummation of the proposed Transaction), in each case in respect of the Eligible Mortgage Loans proposed to be subject to the Transaction, and (3) a certification by Seller that (a) the Asset Files in respect of the Eligible Mortgage Loans proposed to be subject to the related Transaction have been delivered to the Custodian in accordance with the Custodial Agreement, and (b) Seller has no actual knowledge of any material information concerning the Purchased Assets that is not reflected in the Underwriting Package or otherwise disclosed to Buyer in writing.

“Costs” shall have the meaning set forth in Section 16(a) hereof.

“Custodial Agreement” shall mean that certain Custodial and Disbursement Agreement dated as of the date hereof, among Seller, Buyer, Disbursement Agent and Custodian, as the same may be amended from time to time.

“Custodian” shall mean Deutsche Bank National Trust Company and any successor thereto under the Custodial Agreement.

“Data Sharing Agreement” shall mean [each data sharing agreement entered into among Buyer, Seller and a third party diligence provider, in each case in form and substance acceptable to Buyer and Seller in their discretion, as each may be amended, restated, supplemented or otherwise modified from time to time.](#)

“Days Delinquent” shall refer to the number of days a Mortgage Loan is delinquent using the MBA Method of Delinquency.

“Default” shall mean an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

“Defaulting Party” shall have the meaning set forth in Section 30(b) hereof.

“Delaware LLC Act” shall mean Chapter 18 of the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101 et seq., as amended.

“Disbursement Account” shall mean the account established at the Disbursement Agent pursuant to the terms and conditions of the Custodial Agreement.

“Disbursement Agent” shall mean Deutsche Bank National Trust Company acting in the capacity of disbursement agent and any successor thereto under the Custodial Agreement.

“Disposition Proceeds” shall have the meaning set forth in Section 5(f) hereof.

“Division/Series Transaction” shall mean, with respect to any Person that is a limited liability company organized under the laws of the State of Delaware, that any such Person (a) divides into two or more Persons (whether or not the original Person or Subsidiary thereof survives such division) or (b) creates, or reorganizes into, one or more series, in each case, as contemplated under the laws of the State of Delaware, including without limitation Section 18-217 of the Delaware LLC Act. “Dollars” and “\$” shall mean lawful money of the United States of America.

“Due Date” shall mean the day of the month on which the Monthly Payment is due on a Mortgage Loan, exclusive of any days of grace.

“Due Diligence Documents” shall have the meaning set forth in Section 19 hereof.

“Effective Date” shall mean the date upon which the conditions precedent set forth in Section 3(a) shall have been satisfied.

“Electronic Tracking Agreement” shall mean an Electronic Tracking Agreement that is entered into among Buyer, Seller, MERS and MERSCORP Holdings, Inc., to the extent applicable as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Eligible Mortgage Loan” shall mean any Mortgage Loan that meets the following criteria (unless otherwise agreed to by Buyer in writing its sole and absolute discretion) at all times (unless otherwise set forth below):

(a) as of the related Purchase Date, such Mortgage Loan has been approved to be made subject to a Transaction by Buyer in its sole and absolute discretion;

(b) is secured by a one- to four- family Mortgaged Property that is not a mobile home or raw land;

(c) on the related Purchase Date, such Mortgage Loan is [\*\*\*] Delinquent, and was not[\*\*\*] or more Days Delinquent at any time, with respect to any payment of principal or interest and is otherwise not in default;

(d) is at all times while a Purchased Asset not[\*\*\*] or more Days Delinquent at any time, with respect to any payment of principal or interest;

(e) the related Mortgagor is not subject to an Insolvency Event, and the related Mortgaged Property is not involved in a proceeding under an Insolvency Event;

(f) on the Purchase Date, and at any time after the related Purchase Date, the related Mortgaged Property is not a real estate owned property and is not subject to foreclosure proceedings;

(g) the related Purchase Date is not greater than [\*\*\*] following the related origination date for such Mortgage Loan;

(h) if such Mortgage Loan is a Non-Agency Loan, such Mortgage Loan is a Grade A Mortgage Loan, a Grade B Mortgage Loan from a Third Party Reviewer as of the related Purchase Date (if the due diligence review of such Mortgage Loan that is prepared by such Third Party Reviewer is available to Buyer as of such Purchase Date, or if a Grade C Mortgage Loan, approved in writing by Buyer in its sole discretion);

(i) the LTV of such Mortgage Loan (including the amount of any primary mortgage insurance protection against such Mortgage Loan) is less than or equal to [\*\*\*], unless such Mortgage Loan is otherwise acceptable to Buyer;

(j) such Mortgage Loan does not, after giving effect to the related Purchase Price with respect to such Mortgage Loan, cause any of the applicable Concentration Limits set forth in Schedule 1 of the Pricing Side Letter to be exceeded;

(k) such Mortgage Loan does not, after giving effect to the related Transaction with respect to such Mortgage Loan, cause any of the applicable Weighted Average Criteria to be violated;

(l) such Mortgage Loan has been originated or acquired by Seller in accordance with the applicable Underwriting Guidelines with no exceptions unless such exceptions and related significant compensating factors were disclosed to, and approved by, Buyer in its sole discretion in writing prior to the related Purchase Date, and in the case of the related FAM Underwriting Guidelines such FAM Underwriting Guidelines have not been amended or modified unless such amendments or modifications have been affirmatively approved or waived by Buyer in writing in its sole discretion;

(m) such Mortgage Loan complies with the representations and warranties set forth on Schedule 1;

(n) such Mortgage Loan complies with such other eligibility criteria as determined by Buyer during its due diligence review of such Mortgage Loans and set forth in the related Confirmation;

(o) such Mortgage Loan is not subject to any forbearance arrangement, whether requested by any party or pursuant to an agreement, or mandated by a Governmental Authority; and

(p) if such Mortgage Loan is a Government Mortgage Loan, as of the related Purchase Date Buyer has notified Seller in writing (including via e-mail) that Government Mortgage Loans are eligible to be purchased by Buyer in a Transaction under this Agreement in its sole and absolute discretion (provided that such Government Mortgage Loan otherwise constitutes an Eligible Mortgage Loan).

“Environmental Issue” shall mean any material environmental issue with respect to any Mortgaged Property, as determined by the Buyer in its good faith discretion, including without limitation, the violation of any federal, state, foreign or local statute, law, rule, regulation, ordinance, code, guideline, written policy and rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, employee health and safety or hazardous substances, materials or other pollutants, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 3803 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. § 11001 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq. and the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; and any state and local or foreign analogues, counterparts or equivalents, in each case as amended from time to time.

“EO13224” shall have the meaning set forth in Section 12(cc) hereof.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and any successor thereto, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” shall mean any Person which, together with Seller is treated, as a single employer under Section 414(b) or (c) of the Code or solely for purposes of Section 302 of ERISA and Section 412 of the Code is treated as a single employer described in Section 414 of the Code.

“Escrow Instruction Letter” shall mean the Escrow Instruction Letter from Buyer and Seller to the Settlement Agent, in the form of Exhibit H hereto (or in such other form as may be agreed upon in writing from time to time by Buyer and Seller), as the same may be modified, supplemented and in effect from time to time.

“Event of Default” shall have the meaning set forth in Section 14 hereof.

“Event of ERISA Termination” shall mean (i) with respect to any Plan, a Reportable Event, as to which the PBGC has not by regulation waived the reporting of the occurrence of such event, or (ii) the withdrawal of Seller or any ERISA Affiliate thereof from a Plan during a plan year in which it is a substantial employer, as defined in Section 4001(a)(2) of ERISA, or (iii) the failure by Seller or any ERISA Affiliate thereof to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA with respect to any Plan, including, without limitation, the failure to make on or before its due date a required installment under Section 430 (j) of the Code or Section 303(j) of ERISA, or (iv) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by Seller or any ERISA Affiliate thereof to terminate any Plan, or (v) the failure to meet the requirements of Section 436 of the Code resulting in the loss of qualified status under Section 401(a)(29) of the Code, or (vi) the institution by the PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or (vii) the receipt by Seller or any ERISA Affiliate thereof of a notice from a Multiemployer Plan that action of the type described in the previous clause (vi) has been taken by the PBGC with respect to such Multiemployer Plan, or (viii) any event or circumstance exists which may reasonably be expected to constitute grounds for Seller or any ERISA Affiliate thereof to incur liability under Title IV of ERISA or under Sections 412(b) or 430 (k) of the Code with respect to any Plan.

“Excess Concentration Amount” shall have the meaning set forth in Section 3(i) hereof.

“Excluded Taxes” shall have the meaning set forth in Section 7(c) hereof.

“Facility Documents” shall mean this Agreement (including the Servicing Annex), the Pricing Side Letter, the Custodial Agreement, each Servicer Notice, if any, the Powers of Attorney, the Electronic Tracking Agreement, if any, [each Data Sharing Agreement](#), the Collection Account Control Agreement, each Servicing Agreement, each Escrow Instruction Letter (if any) and any and all other documents and agreements executed and delivered by Seller or its Affiliates in connection with this Agreement or any Transactions hereunder, as the same may be amended, restated or otherwise modified from time to time.

“FAM Underwriting Guidelines” shall mean, with respect to any Mortgage Loan, (i) in the case of a Prime Jumbo Loan, the applicable Underwriting Guidelines set forth in clause (ii) of the definition of “Underwriting Guidelines.” and (ii) in the case of a Non-QM Loan, the applicable Underwriting Guidelines set forth in clause (iii) of the definition of “Underwriting Guidelines.”

“Fannie Mae” shall mean the Federal National Mortgage Association, or any successor thereto.

“FDIA” shall have the meaning set forth in Section 32(c) hereof.

“FDICIA” shall have the meaning set forth in Section 32(d) hereof.

“FHA” shall mean the Federal Housing Administration, an agency within the United States Department of Housing and Urban Development, or any successor thereto, and including the Federal Housing Commissioner and the Secretary of Housing and Urban Development where appropriate under the FHA Regulations.

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“FHA Approved Mortgagee” shall mean a corporation or institution approved as a mortgagee by the FHA under the National Housing Act, as amended from time to time, and applicable FHA Regulations, and eligible to own and service mortgage loans such as the FHA Loans.

“FHA Loan” shall mean a Mortgage Loan which is the subject of an FHA Mortgage Insurance Contract.

“FHA Mortgage Insurance” shall mean, mortgage insurance authorized under the National Housing Act, as amended from time to time, and provided by the FHA.

“FHA Mortgage Insurance Contract” shall mean the contractual obligation of the FHA respecting the insurance of a Mortgage Loan.

“FHA Regulations” shall mean the regulations promulgated by the Department of Housing and Urban Development under the National Housing Act, as amended from time to time and codified in 24 Code of Federal Regulations, and other Department of Housing and Urban Development issuances relating to FHA Loans, including the related handbooks, circulars, notices and mortgagee letters.

“FHA Streamline Refinance Mortgage Loan” shall mean a Government Mortgage Loan originated and underwritten in accordance with the “FHA streamline refinance” program and FHA Regulations.

“Fidelity Insurance” shall mean insurance coverage with respect to employee errors, omissions, dishonesty, forgery, theft, disappearance and destruction, robbery and safe burglary, property (other than money and securities) and computer fraud reasonably acceptable to Buyer.

“Financial Statements” shall mean the consolidated and consolidating financial statements of Seller prepared in accordance with GAAP for the year or other period then ended. Such financial statements will be audited, in the case of annual statements, by BDO USA, LLP or such other nationally recognized independent certified public accountants approved by Buyer (which approval shall not be unreasonably withheld).

“Freddie Mac” shall mean the Federal Home Loan Mortgage Corporation or any successor thereto.

“Full Documentation Loan” shall mean a Mortgage Loan where the income of the related Mortgagor is calculated using the Mortgagor’s U.S. Internal Revenue Form W-2 statements or such other manner as set forth in the Underwriting Guidelines.

“GAAP” shall mean generally accepted accounting principles in the United States of America, applied on a consistent basis and applied to both classification of items and amounts, and shall include, without limitation, the official interpretations thereof by the Financial Accounting Standards Board, its predecessors and successors.

“GLB Act” shall have the meaning set forth in Section 31(b) hereof.

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“Governmental Authority” shall mean any nation or government, any state, county, municipality or other political subdivision thereof or any governmental body, agency, authority, department or commission (including, without limitation, any taxing authority) or any instrumentality or officer of any of the foregoing (including, without limitation, any court or tribunal) exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation, partnership or other entity directly or indirectly owned by or controlled by the foregoing.

“Government Mortgage Loan” shall mean a Mortgage Loan that is an FHA Loan or a VA Loan.

“Grade A Mortgage Loan” shall mean any Mortgage Loan that has received a grade that generally indicates compliance with all applicable guidelines, compliance laws and regulations and valuation within a negative [\*\*\*] variance of a third-party valuation product with a compliant Appraisal or AVM/BPO, if permitted.

“Grade B Mortgage Loan” shall mean any Mortgage Loan that has received a grade that indicates the Mortgage Loan meets most underwriting standards with documented, significant compensating factors, compliant with compliance laws and regulations but with minor evidentiary issues, or the Mortgage Loan contains open exceptions under the TILA-RESPA Integrated Disclosure Rule that do not carry statutory damages, or the Mortgage Loan contains an identified exception with respect to which a remedy to cure or reasonable good faith effort to re-disclose was made, and valuation within a negative [\*\*\*] variance of a third-party valuation product with a compliant Appraisal or AVM/BPO, if permitted.

“Grade C Mortgage Loan” shall mean any Mortgage Loan that has received a grade that indicates the Mortgage Loan does not meet every applicable guideline for the program and most of the Mortgage Loan characteristics are outside the guidelines; there are weak or no compensating factors for exceeding guidelines or the originator did not provide documentation to confirm it met all guidelines in accordance with the ATR Rules; or the Mortgage Loan’s designation under the ATR Rules cannot be confirmed; or the Mortgage Loan contains one or more compliance exceptions that cannot be cured or impacts the ability to foreclose and/or assignee liability, including open exceptions under the TILA-RESPA Integrated Disclosure Rule that carry statutory damages in connection with a remedy to cure or a reasonable good faith effort to re-disclose which occurred more than [\*\*\*] from the consummation date or closing date; or the value cannot be supported within negative [\*\*\*] of the original Appraisal Value.

“Guarantee” shall mean, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The terms “Guarantee” and “Guaranteed” used as verbs shall have correlative meanings.

“High Cost Mortgage Loan” shall mean a Mortgage Loan classified as (a) a “high cost” loan under the Home Ownership and Equity Protection Act of 1994; or (b) a “high cost,” “high risk,” “high rate,” “threshold,” “covered,” or “predatory” loan under any other applicable state, federal or local law (or a similarly classified loan using different terminology under a law, regulation or ordinance imposing heightened regulatory scrutiny or additional legal liability for residential mortgage loans having high interest rates, points and/or fees).

“Income” shall mean, with respect to any Purchased Asset, all principal and income or dividends or distributions received with respect to such Purchased Asset, including any Liquidation Proceeds, insurance proceeds, interest or other distributions payable thereon or any fees or payments of any kind received, less amounts permitted to be retained by or paid to the Servicer pursuant to the Servicing Agreement.

“Indebtedness” shall mean, with respect to any Person: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within<sup>\*\*\*</sup> of the date the respective goods are delivered or the respective services are rendered; (c) Indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person; (d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person; (e) Capital Lease Obligations of such Person; (f) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements; (g) Indebtedness of others Guaranteed by such Person; (h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person; and (i) Indebtedness of general partnerships of which such Person is a general partner.

“Indemnified Party” shall have the meaning set forth in Section 16(a) hereof.

“Insolvency Event” shall mean, for any Person:

- (a) that such Person shall discontinue or abandon operation of its business; or
- (b) that such Person shall fail generally to, or admit in writing its inability to, pay its debts as they become due; or
- (c) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of such Person in an involuntary case under any applicable bankruptcy, insolvency, liquidation, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person, or for any substantial part of its property, or for the winding-up or liquidation of its affairs, and has not been dismissed within <sup>\*\*\*</sup>; or

(d) the commencement by such Person of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or such Person's consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person, or for any substantial part of its property, or any general assignment for the benefit of creditors; or

(e) that such Person shall become insolvent; or

(f) if such Person is a corporation, such Person shall take any corporate action in furtherance of, or the action of which would result in any of the actions set forth in the preceding clauses (a), (b), (c), (d) or (e).

“Interest Rate Adjustment Date” shall mean the date on which an adjustment to the Mortgage Interest Rate with respect to each Mortgage Loan becomes effective.

“Interim Servicing Period” shall mean, with respect to any Purchased Asset for which the Seller is acting as Servicer without a third-party subservicer that has been approved by Buyer and entered into a Servicer Notice, the period commencing on the related Purchase Date for such Purchased Asset and ending on the earlier to occur of (x) the related Servicing Transfer Date and (y) the date that is [\*\*\*]s immediately following such Purchase Date.

“Investment Company Act” shall mean the Investment Company Act of 1940, as amended from time to time.

“Investor Mortgage Loan” shall mean an Agency Mortgage Loan made to real estate investors for the purpose of (i) acquiring or refinancing residential property solely for business or investment purposes and (ii) in respect of which the related Mortgaged Property securing the related Mortgage is intended to be non-owner occupied.

“Legal Expense Cap” shall have the meaning set forth in the Pricing Side Letter.

“Level C Exception” shall mean, with respect to any Mortgage Loan, a finding in a diligence report of a Third Party Reviewer of any one of the following:

(A) with respect to the Underwriting Guideline review, the Mortgage Loan does not meet all of the applicable Agency's Underwriting Guidelines, and either (x) most of the material loan characteristics are outside the applicable Agency's Underwriting Guidelines or (y) there are weak or no reasonable compensating factors for exceeding the applicable Agency's Underwriting Guidelines;

(B) with respect to the property value review, the Mortgage Loan does not meet every applicable property valuation guideline; the appraisal was not thorough and complete; and/or the appraised value does not appear to be supported; or

(C) with respect to the regulatory compliance review, the Mortgage Loan includes material violation(s) of applicable federal, state, and local predatory and high cost, the TILA-RESPA Integrated Disclosure Rule and Regulation Z laws and regulations.

“Level D Exception” shall mean, with respect to any Mortgage Loan, a finding in a diligence report of a Third Party Reviewer that (i)the Asset File was not delivered to the Third Party Reviewer, (ii) the Asset File is not sufficiently complete to perform the review or (iii)the Mortgage Loan is not eligible for sale to Fannie Mae or Freddie Mac or to be insured by FHA or VA, including, but not limited to, as a result of a discrepancy between the AUS Number, or, if an AUS Number is not available, the Agency case number, on the asset tape and such number appearing in the credit file.

“LIBOR Rate” shall mean, with respect to each Pricing Rate Period, the rate of interest (calculated on a per annum basis) equal to the [\*\*\*] ICE Benchmark Administration (or any successor institution or replacement institution used to administer LIBOR) as reported on the display designated as “BBAM” “Page DG8 4a” on Bloomberg (or such other display as may replace “BBAM” “Page DG8 4a” on Bloomberg) on related Pricing Rate Determination Date, and if such rate is not available at such time for any reason, then the LIBOR Rate for the relevant Pricing Rate Period shall be the rate at which [\*\*\*] U.S. dollar deposits are offered in immediately available funds by the principal London office of a major bank in the London interbank market, selected by Buyer in its sole discretion, at approximately [\*\*\*] London time on that day.

“Lien” shall mean any lien, claim, charge, restriction, pledge, security interest, mortgage, deed of trust or other encumbrance.

“Liquidation Proceeds” shall mean, with respect to a Purchased Asset, all cash amounts received by the Servicer or Seller in connection with: (i) the liquidation of the related Mortgaged Property or other collateral constituting security for such Purchased Asset, through trustee’s sale, foreclosure sale, disposition or otherwise, exclusive of any portion thereof required to be released to the related Mortgagor, (ii) the realization upon any deficiency judgment obtained against a Mortgagor or (iii) any other amounts collected on account of subsequent recoveries.

“LTV” shall mean, with respect to any Purchased Asset, the unpaid principal balance of such Purchased Asset divided by the Appraisal Value for such Purchased Asset.

“Margin Call” shall have the meaning provided in Section 4(a) hereof.

“Margin Deficit” shall mean, as of any date of determination, if the sum of (x) the Aggregate Asset Value and (y) the amount of funds (if any) on deposit constituting principal payments in respect of the Purchased Assets (as reflected in an officer’s certificate provided by Seller to Buyer in form and substance reasonably acceptable to Buyer) in the Collection Account is less than the Aggregate Facility Repurchase Price for all such Transactions.

“Margin Payment” shall have the meaning provided in Section 4(a) hereof.

“Market Value” shall mean, as of any date of determination, for each Purchased Asset, the market value of such Purchased Asset as determined by Buyer in good faith in its sole and absolute discretion (which determination may be performed by Buyer on a daily basis, at Buyer’s discretion and may take into account such factors as Buyer deems appropriate, including the observable market values of other comparable assets); provided, that, the Market Value of a Purchased Asset shall in all cases be capped at the outstanding principal balance of such Purchased Asset.

“Material Adverse Effect” shall mean a material adverse effect on (a) the Property, business, operations, or financial condition of Seller or any Affiliate, (b) the ability of Seller or any Affiliate to perform its obligations under any of the Facility Documents to which it is a party, (c) the validity or enforceability of any of the Facility Documents, (d) the rights and remedies of Buyer or any Affiliate under any of the Facility Documents, or (e) the timely payment of any amounts payable under the Facility Documents; in each case as determined by Buyer in its sole discretion.

“Maximum Aggregate Purchase Price” shall have the meaning set forth in the Pricing Side Letter.

“MBA Method of Delinquency” shall mean, with respect to Mortgage Loans, the methodology used by the Mortgage Bankers Association for assessing delinquency. For the avoidance of doubt, under the MBA Method of Delinquency, a Mortgage Loan is considered “30 days delinquent” if the Mortgagor fails to make a monthly payment prior to the close of business on the day that immediately precedes the due date on which the next monthly payment is due. For example, a Mortgage Loan will be considered thirty (30) days delinquent if the Mortgagor fails to make a monthly payment originally due on September 1 by the close of business on September 30.

“MERS” shall mean Mortgage Electronic Registration Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor thereto.

“MERS Mortgage Loan” shall mean any Mortgage Loan registered with MERS on the MERS System.

“MERS System” shall mean the system of recording transfers of mortgages electronically maintained by MERS.

“Monthly Payment” shall mean the scheduled monthly payment of principal and interest on a Mortgage Loan.

“Mortgage” shall mean each mortgage, or deed of trust, security agreement and fixture filing, deed to secure debt, or similar instrument creating and evidencing a first Lien on real property and other property and rights incidental thereto.

“Mortgage Interest Rate” shall mean the rate of interest borne on a Mortgage Loan from time to time in accordance with the terms of the related Mortgage Note.

“Mortgage Loan” shall mean any first lien, one- to four-family residential mortgage loan which is evidenced by and including a Mortgage Note and a Mortgage.

“Mortgage Loan Documents” shall mean, with respect to a Mortgage Loan, each of the documents comprising the Asset File for such Mortgage Loan, as more fully set forth in the Custodial Agreement.

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“Mortgage Note” shall mean the promissory note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage.

“Mortgaged Property” shall mean the real property securing repayment of the debt evidenced by a Mortgage Note.

“Mortgagor” shall mean the obligor or obligors on a Mortgage Note, including any Person who has assumed or guaranteed the obligations of the obligor thereunder.

“Multiemployer Plan” shall mean, with respect to any Person, a “multiemployer plan” as defined in Section 3(37) of ERISA which is or was at any time during the current year or the immediately preceding [\*\*\*] contributed to (or required to be contributed to) by such Person or any ERISA Affiliate thereof on behalf of its employees and which is covered by Title IV of ERISA.

“Nomura Account” shall mean the account maintained by Buyer set forth in Section 9(a) hereof.

“Nondefaulting Party” shall have the meaning set forth in Section 30(b) hereof.

“Non-Agency Loan” shall mean a Mortgage Loan that is either a Non-QM Loan or a Prime Jumbo Loan.

“Non-QM Loan” shall mean a Mortgage Loan that (i) satisfies the applicable eligibility criteria set forth on Schedule 2 to the Pricing Side Letter (as the same may be updated or modified from time to time, by mutual written consent (including via email) of Buyer and Seller) and (ii) otherwise complies with the applicable FAM Underwriting Guidelines.

“Non-Excluded Taxes” shall have the meaning set forth in Section 7(a) hereof.

“Non-Exempt Buyer” shall have the meaning set forth in Section 7(e) hereof.

“Obligations” shall mean (a) any amounts owed by Seller to Buyer in connection with any or all Transactions hereunder, together with interest thereon (including interest which would be payable as post-petition interest in connection with any bankruptcy or similar proceeding) and all other fees or expenses which are payable hereunder or under any of the Facility Documents; and (b) all other obligations or amounts owed by Seller to Buyer or an Affiliate of Buyer under any other contract or agreement, in each case, whether such amounts or obligations owed are direct or indirect, absolute or contingent, matured or unmatured.

“OFAC” shall have the meaning set forth in Section 12(cc) hereof.

“Optional Repurchase” shall have the meaning set forth in Section 3(d) hereof.

“Other Taxes” shall have the meaning set forth in Section 7(b) hereof.

“PBGC” shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Person” shall mean any individual, corporation, company, voluntary association, partnership, joint venture, limited liability company, trust, unincorporated association or government (or any agency, instrumentality or political subdivision thereof) including, but not limited to, Seller.

“Plan” shall mean, with respect to Seller, any employee benefit or similar plan that is or was at any time during the current year or immediately preceding [\*\*\*] established, maintained or contributed to by Seller or any ERISA Affiliate thereof and that is covered by Title IV of ERISA, other than a Multiemployer Plan.

“Post-Default Rate” shall have the meaning set forth in the Pricing Side Letter.

“Power of Attorney” shall mean the power of attorney in the form of Exhibit J delivered by Seller.

“Preliminary Asset Schedule” shall have the meaning set forth in Section 3(b)(vii) hereof.

“Price Differential” shall mean, with respect to any Purchased Asset, as of any date, the aggregate amount obtained by daily application of the Pricing Rate (or, during the continuation of an Event of Default, by daily application of the Post-Default Rate) for the related Purchased Asset to the Repurchase Price for such Purchased Asset, on a 360 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Purchased Asset and ending on (but excluding) the Repurchase Date (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Purchased Asset). For the avoidance of doubt, Seller’s obligation to pay any Price Differential to Buyer with respect to any Purchased Asset shall continue until the Repurchase Price for such Asset is remitted to the account of Buyer that is referenced in Section 9(a) of this Agreement (and not the Collection Account or any other account).

“Pricing Rate” shall have the meaning set forth in the Pricing Side Letter.

“Pricing Rate Determination Date” shall mean with respect to any Pricing Rate Period with respect to any Transaction, the second (2<sup>nd</sup>) Business Day preceding the first day of such Pricing Rate Period.

“Pricing Rate Period” shall mean, (i) in the case of the first Pricing Rate Period with respect to any Transaction, the period commencing on and including the Purchase Date for such Transaction and ending on and excluding the following Remittance Date, and (ii) in the case of any subsequent Pricing Rate Period, the period commencing on and including each Remittance Date and ending on and excluding the following Remittance Date; provided, however, that in no event shall any Pricing Rate Period end subsequent to the Repurchase Date.

“Pricing Side Letter” shall mean that certain letter agreement between Buyer and Seller, dated as of the date hereof, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Prime Jumbo Loan” shall mean a Mortgage Loan that (i) satisfies the applicable eligibility criteria set forth on Schedule 2 to the Pricing Side Letter (as the same may be updated or modified from time to time, by mutual written consent (including via email) of Buyer and Seller), and (ii) otherwise complies with the applicable FAM Underwriting Guidelines.

“Prohibited Person” shall have the meaning set forth in Section 12(cc) hereof.

“Property” shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

“Purchase Date” shall mean, each date on which Purchased Assets are transferred by Seller to Buyer or its designee.

“Purchase Price” shall mean, with respect to a Purchased Asset, the amount paid by the Buyer to the Seller on the Purchase Date for such Purchased Asset which shall be an amount equal to the Asset Value of such Purchased Asset as of the related Purchase Date.

“Purchase Price Percentage” shall have the meaning set forth in the Pricing Side Letter.

“Purchased Asset Issue” shall mean, with respect to any Purchased Asset, the occurrence of any of the following as determined in Buyer’s good faith discretion:

- (i) such Mortgage Loan is not an Eligible Mortgage Loan;
- (ii) a Regulatory or Reputational Risk Issue has occurred;
- (iii) the related Mortgage Note, Mortgage or related guarantee, if any, are determined to be unenforceable;
- (iv) if the Purchased Asset is serviced by the Seller (and not subserviced by a third-party servicer that has been approved by Buyer and entered into a Servicer Notice), the related Servicing Transfer Date for such Purchased Asset does not occur on or prior to the date that is [\*\*\*] days immediately following the related Purchase Date for such Purchased Asset;
- (v) if such Purchased Asset is due to be securitized and such Purchased Asset is removed from the securitization pool pursuant to a request from any investor or rating agency due to concerns with respect to credit, compliance or valuation of such Purchased Asset;
- (vi) the underlying Mortgaged Property is found to have an Environmental Issue for which Seller or the related Mortgagor does not promptly set up an escrowed reserve or insurance in an amount reasonably acceptable to Buyer;
- (vii) a Governmental Authority has seized the underlying Mortgaged Property;
- (viii) if such Purchased Asset is a Wet-Ink Mortgage Loan, the Custodian has failed to issue a Trust Receipt showing no exceptions with respect to such Purchased Asset to Buyer in accordance with the Custodial Agreement on or prior to the Wet-Ink Delivery Date;

(ix) if such Purchased Asset is a Non-Agency Loan and Buyer did not receive the related due diligence review of such Purchased Asset prepared by a Third Party Reviewer (which review identifies such Purchased Asset as a Grade A Mortgage Loan or Grade B Mortgage Loan) as of the related Purchase Date, if such Purchased Asset is not a Grade A Mortgage Loan, Grade B Mortgage Loan from a Third Party Reviewer within [\*\*\*] of the related Purchase Date (or such other time period as agreed between the Buyer and the Seller), or if a Grade C Mortgage Loan, is not approved in writing by Buyer in its sole discretion; or

(x) such Purchased Asset is subject to any forbearance arrangement, whether requested by any party or pursuant to an agreement, or mandated by a Governmental Authority.

~~(xi)~~

“Purchased Assets” shall mean the collective reference to the Mortgage Loans transferred by the Seller to Buyer in a Transaction hereunder, listed on the related Asset Schedule attached to the related Confirmation (as Appendix I or otherwise), which Asset Files the Custodian has been instructed to hold pursuant to the Custodial Agreement. The term “Purchased Assets” with respect to any Transaction at any time also shall include Additional Acceptable Assets delivered pursuant to Section 4(a) hereof.

“Qualified Insurer” shall mean an insurance company duly authorized and licensed where required by law to transact insurance business and approved as an insurer by Buyer, Fannie Mae or Freddie Mac, as applicable.

“Records” shall mean all instruments, agreements and other books, records, and reports and data generated by other media for the storage of information maintained by Seller or any other Person or entity with respect to a Mortgage Loan. Records shall include the Mortgage Notes, any Mortgages, the Asset Files, the credit files related to the Mortgage Loan and any other instruments necessary to document or service a Mortgage Loan.

“Register” shall have the meaning set forth in Section 21(b) hereof.

“Regulations T, U and X” shall mean Regulations T, U and X of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

“Regulatory or Reputational Risk Issue” shall mean the Buyer’s determination, in its good faith discretion (which may be based on consultation with regulatory counsel) that (a) a regulatory risk exists with respect to a Purchased Asset and such risk would affect the value of the Purchased Asset or the Buyer’s interest therein or (b) any Purchased Asset is subject to any fact, issue or circumstance, the existence of which would expose the Buyer to, or result in regulatory or reputational risk.

“Remittance Date” shall mean, with respect to each Collection Period, (i) the fifteenth (15<sup>h</sup>) calendar day of the month following the commencement of such Collection Period, or the next succeeding Business Day, if such calendar day shall not be a Business Day and (ii) the Repurchase Date.

“Reportable Event” shall mean any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the [\*\*\*] notice period is waived under subsections .21, .22, .24, .26, .27 or .28 of PBGC Reg. § 4043.

“Repurchase Assets” shall have the meaning provided in Section 8(a) hereof.

“Repurchase Date” shall mean, with respect to any Purchased Asset, the earlier of (i) the Termination Date or (ii) the date on which Seller is to repurchase the Purchased Assets subject to a Transaction from Buyer as specified in the related Confirmation or if not so specified on a date requested pursuant to Section 3(e) or 4 hereof or on the Termination Date, including any date determined by application of the provisions of Sections 3 or 4 or 14 hereof.

“Repurchase Price” shall mean, with respect to any Purchased Asset as of any date of determination, an amount equal to the applicable Purchase Price minus (A) the sum of (i) any Income which has been applied to the Repurchase Price of such Purchased Asset by Buyer pursuant to this Agreement and (ii) any payments made by or on behalf of Seller in reduction of the outstanding Repurchase Price in each case before or as of such determination date with respect to such Purchased Asset, plus (B) the sum of (i) any accrued and unpaid Price Differential and (ii) any fees, costs, indemnification amounts, and taxes allocable to the repurchase of such Purchased Asset or release of Mortgage Loan.

“Repurchase Price Adjustment Amount” shall mean, for each Purchased Asset, on any Repurchase Price Adjustment Date, an amount equal to the excess (if any) of (1) the excess (if any) of (i) the related Repurchase Price (excluding any amounts calculated pursuant to clause (B) of the definition thereof) for such Purchased Asset as of such Repurchase Price Adjustment Date over (ii) the Asset Value of such Purchased Asset calculated as of such Repurchase Price Adjustment Date over (2) the Repurchase Price Adjustment Amount Threshold.

“Repurchase Price Adjustment Amount Threshold” shall have the meaning set forth in the Pricing Side Letter.

“Repurchase Price Adjustment Date” shall mean, with respect to any Purchased Asset, each date (if any) on which a reduced Purchase Price Percentage is applicable to such Purchased Asset pursuant to the Pricing Side Letter as a result of an increase to the number of days that such Purchased Asset is subject to a Transaction (whether or not consecutive).

“Requirement of Law” shall mean as to any Person, any law, treaty, rule, regulation, procedure or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” shall mean, (a) as to any Person, the chief executive officer or, with respect to financial matters, the chief financial officer of such Person and (b) as to Seller, President, Chief Administrative Officer, Treasurer, any manager, director or managing member.

“SEC” shall mean the Securities Exchange Commission.

“Section 4402” shall have the meaning set forth in Section 30 hereof.

“Section 7 Certificate” shall have the meaning set forth in Section 7(e)(ii) hereof.

“Seller” shall mean Finance of America Mortgage LLC.

“Servicer” shall mean, with respect to any Purchased Asset (i) prior to the related Servicing Transfer Date, Seller and (ii) from and after the related Servicing Transfer Date, either LoanCare, LLC, ServiceMac LLC, or any other servicer or subservicer approved by Buyer in its sole discretion to service or subservice Mortgage Loans.

“Servicer Notice” shall mean each servicer notice entered into by a Servicer, Buyer, Seller and any other related parties thereto, in form and substance acceptable to Buyer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Servicer Termination Event” shall mean, (i) an Event of Default hereunder, or (ii) with respect to any Servicer, (a) an event of default under the related Servicing Agreement, (b) such Servicer shall become the subject of an Insolvency Event, or (c) such Servicer shall admit its inability to, or its intention not to, perform any of its obligations under the Facility Documents, (d) the failure of such Servicer to perform in any material respect its obligations under any of the Facility Documents to which it is a party or the Servicing Agreement (taking into account any cure periods), including, without limitation, the failure of Servicer to (x) remit funds in accordance with Section 5(b) hereof, or (y) deliver reports when required, (e) Servicer shall provide to Seller a notice of resignation or termination under the applicable Servicing Agreement or (f) any of the following fails to be true and correct: Servicer has adequate financial standing, servicing facilities, procedures and experienced personnel necessary for the sound servicing and subservicing of mortgage loans of the same types as may from time to time constitute Purchased Assets and in accordance with Accepted Servicing Practices.

“Servicing Advances” shall mean all customary, reasonable and necessary “out-of-pocket” costs and expenses incurred by Seller as Servicer in the performance of its servicing obligations, including, but not limited to, the cost of (i) preservation, restoration and repair of a Mortgaged Property related to a Purchased Asset, (ii) any enforcement or judicial proceedings with respect to a Purchased Asset, including foreclosure actions, (iii) any private mortgage insurance policy premiums and fees, and (iv) taxes, assessments, water rates, sewer rents and other charges which are or may become a lien upon the Mortgaged Property, and fire and hazard insurance coverage, as required pursuant to the Servicing Annex.

“Servicing Agreement” shall mean that certain Subservicing Agreement between the Servicer and Seller dated as of July 1, 2015, as amended and renewed by that certain Renewal of Subservicing Agreement between LoanCare, LLC and Seller, effective as of July 1, 2018 and all SOWs entered into between LoanCare, LLC and Seller from time to time and (ii) any servicing or subservicing agreement entered into among Seller and a Servicer, as approved by Buyer, as each may be amended from time to time of which Buyer shall be an intended third party beneficiary.

“Servicing Annex” shall mean, with respect to the Purchased Assets for which the Seller is acting as Servicer without a third-party subservicer that has been approved by Buyer and entered into a Servicer Notice, the servicing annex attached hereto as Exhibit D, which servicing annex shall provide for the servicing of the Purchased Assets during the related Interim Servicing Period.

“Servicing Fee” shall mean, with respect to any Purchased Asset, a fee payable in accordance with the related Servicing Agreement.

“Servicing File” shall mean with respect to each Purchased Asset, the file retained by Seller as Servicer consisting of all documents that a prudent servicer would have, including copies (electronic or otherwise) of the Mortgage Loan Documents, and all documents necessary to document and service such Purchased Asset.

“Servicing Records” shall mean with respect to each Purchased Asset all servicing records, including but not limited to any and all servicing agreements, files, documents, records, data bases, computer tapes, copies of computer tapes, proof of insurance coverage, insurance policies, appraisals, AVM/BPOs, other closing documentation, payment history records, and any other records relating to or evidencing the servicing of such Purchased Asset.

“Servicing Rights” shall mean rights of any Person to administer, manage, service or subservice, the Purchased Assets or to possess related Records.

“Servicing Transfer Date” shall mean, with respect to any Purchased Asset, the date on which the servicing of such Purchased Asset is transferred by Seller as Servicer to the applicable successor Servicer and made subject to the related Servicing Agreement and Servicer Notice.

“Settlement Agent” shall mean, with respect to any Transaction the subject of which is a Wet-Ink Mortgage Loan, an entity approved by Buyer, in its sole reasonable discretion, which may be a title company, escrow company or attorney in accordance with local law and practice in the jurisdiction where the related Wet-Ink Mortgage Loan is being originated, to which the proceeds of such Transaction are to be wired pursuant to the related wire instructions set forth on Exhibit E hereto and with respect to such proceeds the Settlement Agent has agreed to comply with the instructions set forth in the Escrow Instruction Letter.

“Single-Employer Plan” shall mean a single-employer plan as defined in Section 4001(a)(15) of ERISA which is subject to the provisions of Title IV of ERISA.

“Subsidiary” shall mean, with respect to any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

“Successor Rate” shall mean a rate determined by Buyer in accordance with Section 3(h) hereof.

“Successor Rate Conforming Changes” shall mean, with respect to any proposed Successor Rate, any spread adjustments or other conforming changes to the timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of Buyer, to reflect the adoption of such Successor Rate and to permit the administration thereof by Buyer in a manner substantially consistent with market practice.

“Take-out Commitment” shall mean a commitment of Seller to sell one or more Purchased Assets in an arms-length, all-cash transaction and the corresponding Take-out Investor’s commitment back to Seller to effectuate any of the foregoing, as applicable, or as otherwise approved by Buyer in its sole discretion.

“Take-out Investor” shall mean any Person (other than an Affiliate of Seller) that has entered into a Take-out Commitment; provided that to the extent Purchased Assets are sent pursuant to a Bailee Letter with a third party bailee that is not a nationally known bank prior to purchase, such third-party bailee must be approved by Buyer in its sole reasonable discretion.

“Taxes” shall have the meaning set forth in Section 7(a) hereof.

“Termination Date” shall have the meaning set forth in the Pricing Side Letter.

“Third Party Reviewer” shall mean Selene New Diligence Advisors LLC, AMC Diligence, LLC, Clayton Services LLC or, in each case, another mutually acceptable third party reviewer.

“TILA-RESPA Integrated Disclosure Rule” means the Truth-in-Lending Act and Real Estate Settlement Procedures Act Integrated Disclosure Rule, adopted by the Consumer Finance Protection Bureau, which is effective for residential mortgage loan applications received on or after October 3, 2015.

“Transaction” shall have the meaning set forth in Section 1 hereof.

“Transaction Notice” shall mean a request from Seller to Buyer, which may be by electronic means (including e-mail), to enter into a Transaction.

“Trust Receipt” shall have the meaning set forth in the Custodial Agreement.

“Underwriting Guidelines” shall mean (i) with respect to each Agency Mortgage Loan, the guidelines of Fannie Mae or Freddie Mac, as applicable, (ii) with respect to each Prime Jumbo Loan, Seller’s related underwriting guidelines, delivered to and approved by Buyer on or prior to the date hereof, as amended or modified in accordance with this Agreement, (iii) with respect to each Non-QM Loan, Seller’s related underwriting guidelines, delivered to and approved by Buyer on or prior to the date ~~hereof~~ on which any Non-QM Loan becomes subject to a Transaction hereunder, as amended or modified in accordance with this Agreement and (iv) with respect to each Government Mortgage Loan, the guidelines of FHA or VA, as applicable.

“Underwriting Package” shall mean with respect to any proposed Purchased Asset, the Asset Schedule listing such proposed Purchased Asset and such other information that is in the possession or control of the Seller requested by the Buyer during the course of its due diligence and delivered prior to the date of a Transaction for such proposed Purchased Asset containing, with respect to the related proposed Purchased Asset, information in form and substance acceptable to the Buyer in its good faith discretion.

“Uniform Commercial Code” or “UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any Repurchase Assets or the continuation, renewal or enforcement thereof is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

“VA” shall mean the U.S. Department of Veterans Affairs, an agency of the United States of America, or any successor thereto including the Secretary of Veterans Affairs.

“VA Approved Lender” shall mean a lender which is approved by the VA to act as a lender in connection with the origination of VA Loans.

“VA Interest Rate Reduction Refinance Loan” shall mean a Government Mortgage Loan originated and underwritten in accordance with its IRRRL “streamline” program and VA Regulations and that has been subject to a refinancing.

“VA Loan” shall mean a Mortgage Loan which is the subject of a VA Loan Guaranty Agreement as evidenced by a loan guaranty certificate, or a Mortgage Loan which is a vendor loan sold by the VA.

“VA Loan Guaranty Agreement” shall mean the obligation of the United States to pay a specific percentage of a Mortgage Loan (subject to a maximum amount) upon default of the Mortgagor pursuant to the Servicemen’s Readjustment Act, as amended.

“Valuation Deficiency” shall mean, with respect to any Mortgage Loan, any one of the following: (i) the value cannot be supported within<sup>\*\*\*</sup> of the original Appraisal Value, (ii) the related Appraisal was not performed using the applicable Agency’s approved forms, or (iii) the related appraiser was not appropriately licensed.

“VA Regulations” shall mean the regulations promulgated by the VA and codified in 38 Code of Federal Regulations, and other VA issuances relating to VA Loans, including the related handbooks, circulars, notices and mortgagee letters.

“Weighted Average Criteria” shall have the meaning assigned to such term in the Pricing Side Letter.

“Weighted Average Violation Assets” shall have the meaning set forth in Section 3(i).

“Wet-Aged Report” shall have the meaning set forth in Section 3(c)(vi).

“Wet-Ink Delivery Date” shall have the meaning assigned to such term in the Pricing Side Letter.

“Wet-Ink Documents” shall mean, with respect to any Wet-Ink Mortgage Loan, the (a) Transaction Notice, (b) the Confirmation and (c) the Asset Schedule.

“Wet-Ink Mortgage Loan” shall mean a Mortgage Loan which Seller is selling to Buyer simultaneously with the origination thereof and for which the related Asset File has not been received by the Custodian as of related Purchase Date. A Mortgage Loan shall cease to be a Wet-Ink Mortgage Loan on the date on which Buyer has received (i) an Asset Detail and Exception Report from the Custodian with respect to such Mortgage Loan confirming that the Custodian has physical possession of the related Asset File and (ii) a Trust Receipt issued by the Custodian showing no exceptions with respect to such Mortgage Loan in accordance with the Custodial Agreement.

Section 3. No Commitment; Initiation; Termination. It is acknowledged and agreed that, notwithstanding any other provision of this Agreement to the contrary, the facility provided under this Agreement is an uncommitted facility, and Buyer shall have no obligation to enter into any Transactions hereunder. Subject to the terms and conditions set forth herein, Buyer agrees that so long as no Event of Default shall have occurred and be continuing or result therefrom it may, in its sole discretion, enter into Transactions with Seller from time to time in an aggregate principal amount that will not result in the Aggregate Facility Repurchase Price for all Purchased Assets subject to then outstanding Transactions under this Agreement (including such Purchased Assets that are being proposed by Seller for purchase under such Transaction) exceeding the Maximum Aggregate Purchase Price. Within the foregoing limits and subject to the terms and conditions set forth herein, Buyer and Seller may enter into Transactions.

(a) Conditions Precedent to Initial Transaction. Buyer’s agreement to enter into the initial Transaction hereunder is subject to the satisfaction, immediately prior to or concurrently with the making of such Transaction, of the condition precedent that Buyer shall have received from Seller any fees and expenses due and payable hereunder, and all of the following documents, each of which shall be satisfactory to Buyer and its counsel in form and substance:

(i) Facility Documents. The Facility Documents duly executed by the parties thereto;

(ii) Opinions of Counsel. (A) A security interest, general corporate and enforceability opinion or opinions of outside counsel to Seller (provided that the general corporate opinion may be given by in-house counsel to Seller), including an Investment Company Act opinion; and (B) a Bankruptcy Code opinion of outside counsel to Seller with respect to the matters outlined in Section 32, each of which shall be in a form acceptable to Buyer in its sole discretion;

(iii) Seller Organizational Documents. A certificate of existence of Seller delivered to Buyer prior to the Effective Date and certified copies of the organizational documents of Seller and of all corporate or other authority for Seller with respect to the execution, delivery and performance of the Facility Documents and each other document to be delivered by Seller from time to time in connection herewith;

(iv) Good Standing Certificate. A certified copy of a good standing certificate from the jurisdiction of organization of Seller, dated as of no earlier than the date that is [\*\*\*] prior to the Effective Date with respect to the initial Transaction hereunder;

(v) Incumbency Certificate. An incumbency certificate of the secretary of Seller certifying the names, true signatures and titles of the representatives duly authorized to request transactions hereunder and to execute the Facility Documents;

(vi) Security Interest. Evidence that all other actions necessary to perfect and protect the sale, transfer, conveyance and assignment by Seller to Buyer or its designee, subject to the terms of this Agreement, of all of Seller's right, title and interest in and to the Purchased Assets together with all right, title and interest in and to the proceeds of any related Repurchase Assets. Seller shall take all steps as may be necessary in connection with the indorsement, transfer of power, delivery and pledge of all Purchased Assets to Buyer, and performing UCC searches and duly authorized and filing Uniform Commercial Code financing statements on Form UCC-1;

(vii) Insurance. Evidence that Seller has caused Finance of America Holdings LLC to add Buyer as an additional loss payee under Finance of America Holdings LLC's Fidelity Insurance; and

(viii) Other Documents. Such other documents as Buyer may reasonably request, in form and substance reasonably acceptable to Buyer.

(b) Conditions Precedent to all Transactions. Upon satisfaction of the conditions set forth in this Section 3(b), Buyer may, in its sole discretion enter into a Transaction with Seller. Buyer's entering into each Transaction (including the initial Transaction) is subject to the satisfaction of the following further conditions precedent, both immediately prior to entering into such Transaction and also after giving effect thereto to the intended use thereof:

(i) Confirmation. Seller shall have delivered to Buyer a Confirmation in accordance with the procedures set forth in Section 3(c);

(ii) Due Diligence Review. Without limiting the generality of Section 19 hereof, Buyer shall have received the Underwriting Package at least [\*\*\*] prior to the related Purchase Date, and (A) shall have completed, to its satisfaction, its due diligence review of the related proposed Purchased Assets, which may be prepared by Third Party Reviewer for those Purchased Assets that are Non-Agency Loans, so long as (x) Buyer receives such due diligence review directly from such Third Party Reviewer and (y) such due diligence review is conducted within [\*\*\*] of the related Purchase Date, or such other time period as agreed between the Buyer and the Seller and (B) upon reasonable notice to Seller and each Servicer, may have completed, to Buyer's satisfaction, its due diligence review of the Seller, each Third Party Reviewer and each Servicer;

(iii) No Default. No Default or Event of Default shall have occurred and be continuing under the Facility Documents;

(iv) Representations and Warranties: Eligible Mortgage Loans. Both immediately prior to the Transaction and also after giving effect thereto and to the intended use thereof, the representations and warranties made by Seller in Section 12 hereof and on Schedule 1 shall be true, correct and complete on and as of such Purchase Date in all material respects with the same force and effect as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date). Each Mortgage Loan offered for purchase to Buyer pursuant to a Transaction is an Eligible Mortgage Loan;

(v) Maximum Purchase Price. After giving effect to the requested Transaction, (i) the Aggregate Facility Repurchase Price for all Purchased Assets subject to then outstanding Transactions under this Agreement (including such Purchased Assets that are being proposed by Seller for purchase under such Transaction) shall not exceed the Maximum Aggregate Purchase Price and (ii) the portion of the Aggregate Facility Repurchase Price attributable to any category of Purchased Asset shall not in whole or in part exceed the related Concentration Limit; and (iii) none of the Weighted Average Criteria shall be violated;

(vi) Mortgage Loan Documents. Buyer shall have reviewed and approved the form Mortgage Loan Documents;

(vii) Transaction Notice. With respect to each proposed Purchased Asset which is not a Wet-Ink Mortgage Loan, on or prior to [\*\*\*] (New York Time) [\*\*\*] prior to the related Purchase Date, the Seller shall have delivered to Buyer (a) a Transaction Notice, (b) an Asset Schedule and (c) an initial Confirmation. Seller shall have delivered to Buyer on or prior to (A) [\*\*\*] (New York City time) on the Business Day prior to the proposed Purchase Date for Wet-Ink Mortgage Loans, a preliminary Asset Schedule (the "Preliminary Asset Schedule") and (B) [\*\*\*] (New York City time) on the proposed Purchase Date for Wet-Ink Mortgage Loans, (1) a Transaction Notice, (2) a final Asset Schedule and (3) an initial related Confirmation; provided that with respect to each Wet-Ink Mortgage Loan, by no later than the Wet-Ink Delivery Date, Seller shall cause the related Settlement Agent to deliver to the Custodian all documents in the Asset File, as more particularly set forth in the Custodial Agreement. Any Wet-Ink Mortgage Loans that are not listed on the Preliminary Asset Schedule may be purchased by Buyer in its sole discretion;

(viii) Delivery of Asset File. (A) With respect to each proposed Purchased Asset which is not a Wet-Ink Mortgage Loan, (x) Seller shall have delivered to the Custodian the Asset File with respect to each Mortgage Loan that is subject to the proposed Transaction, with an electronic copy of such Asset File to Buyer via email to [\*\*\*], in a format reasonably acceptable to Buyer, and the Custodian shall have issued a Trust Receipt showing no exceptions with respect to each such Mortgage Loan to Buyer all subject to and in accordance with the Custodial Agreement and (B) with respect to each Wet-Ink Mortgage Loan, the Wet-Ink Documents have been delivered to Custodian, as the case may be, in accordance with the Custodial Agreement and delivered to Buyer electronic copies of the documents comprising the related Asset File;

(ix) No Purchased Asset Issue; No Margin Deficit. As of the related Purchase Date, (a) Seller shall not have failed to repurchase any Purchased Asset pursuant to a repurchase request by Buyer pursuant to Section 4 hereof following the occurrence of a Purchased Asset Issue with respect to such Purchased Asset, and (b) no Margin Deficit shall have occurred and be continuing with respect to any Purchased Assets. Additionally, after giving effect to the requested Transaction, no Purchased Asset Issue or Margin Deficit shall have occurred or be continuing with respect to the related Purchased Assets;

(x) Electronic Tracking Agreement. If any of the proposed Purchased Assets are MERS Mortgage Loans, an Electronic Tracking Agreement covering such proposed Purchased Assets (and any existing Purchased Assets that are MERS Mortgage Loans) shall have been entered into, duly executed and delivered by the parties thereto and shall be in full force and effect, free of any modification, breach or waiver;

(xi) Evidence of Ownership. If any proposed Purchased Asset is a Wet-Ink Mortgage Loan, Buyer shall have received evidence satisfactory to it that the Seller owns the proposed Mortgage Loan simultaneously with the origination thereof;

(xii) Approval of Servicing Agreement. To the extent not previously delivered and approved, Buyer shall have, in its good faith discretion, approved each Servicing Agreement (including any amendments or modifications thereof) pursuant to which any Mortgage Loan that is subject to the proposed Transaction is serviced or subserviced;

(xiii) Servicer Notices. To the extent the related Purchased Assets are not already covered by a Servicer Notice, Buyer shall have received a Servicer Notice with respect to such Purchased Assets;

(xiv) Purchase Price Floor. The aggregate Purchase Price for any Transaction shall not be less than (A) in connection with the initial Transaction, [\*\*\*] and (B) in connection with any other Transaction, [\*\*\*] (in each case unless approved by Buyer in its sole discretion);

(xv) Funding Frequency. In any [\*\*\*] period there will be no more than [\*\*\*] Transactions;

(xvi) Fees and Expenses. Buyer shall have received all fees and expenses due and payable, including all fees and expenses of counsel to Buyer and due diligence vendors as contemplated by Sections 11 and 16(b), which amounts, at Buyer's option, may be withheld from the proceeds remitted by Buyer to Seller pursuant to any Transaction hereunder;

(xvii) Requirements of Law. Buyer shall not have determined that the introduction of or a change in any Requirement of Law or in the interpretation or administration of any Requirement of Law applicable to Buyer has made it unlawful, and no Governmental Authority shall have asserted that it is unlawful, for Buyer to enter into Transactions hereunder;

(xviii) No Material Adverse Change. None of the following shall have occurred and/or be continuing:

(A) an event or events shall have occurred in the good faith determination of Buyer resulting in the effective absence of a “repo market” or comparable “lending market” for financing debt obligations secured by securities or an event or events shall have occurred resulting in Buyer not being able to finance Mortgage Loans through the “repo market” or “lending market” with traditional counterparties at rates which would have been reasonable prior to the occurrence of such event or events; or

(B) an event or events shall have occurred resulting in the effective absence of a “securities market” for securities backed by Mortgage Loans (relative to the market as of the Effective Date) or an event or events shall have occurred resulting in Buyer not being able to sell securities backed by Mortgage Loans at prices which would have been reasonable prior to such event or events; or

(C) there shall have occurred a material adverse change in the financial condition of Buyer which affects (or can reasonably be expected to affect) materially and adversely the ability of Buyer to fund its obligations under this Agreement.

(xix) Wet-Ink Mortgage Loans. With respect to any proposed Transaction involving a Wet-Ink Mortgage Loan:

(A) the Seller shall have provided evidence satisfactory to Buyer that Seller has transferred (or caused to be transferred) funds to the Disbursement Agent on the related Purchase Date to be applied to the origination of such Wet-Ink Mortgage Loan, in an amount equal to the portion of the funding for the origination of such Wet-Ink Mortgage Loan that will not be funded by Buyer pursuant to such Transaction; and

(B) the Settlement Agent has been instructed in writing by Seller to hold the related Mortgage Loan Documents as agent and bailee for Buyer and to promptly forward such Mortgage Loan Documents in accordance with the provisions of the Custodial Agreement and the Escrow Instruction Letter and Seller has confirmed receipt of a Closing Protection Letter and the wire instructions for the Settlement Agent have been validated.

(xx) Certification. Each Confirmation delivered by Seller hereunder shall constitute a certification by Seller that all the conditions set forth in this Section 3(b) (other than any such conditions (or a portion thereof) for which the satisfaction thereof is made at the discretion or determination of Buyer) have been satisfied (both as of the date of such notice or request and as of Purchase Date);

(xxi) Security Interest. Evidence that all other actions necessary to perfect and protect Buyer's interest in the Purchased Assets and other Repurchase Assets have been taken. Seller shall take all steps as may be necessary in connection with performing UCC searches and duly authorized and filing Uniform Commercial Code financing statements on Form UCC-1; ~~and~~

(xxii) Underwriting Guidelines for Non-QM Loans. With respect to any proposed Transaction involving a Non-QM Loan, the Seller shall have delivered to Buyer the related Underwriting Guidelines and Buyer shall have approved such Underwriting Guidelines in its sole discretion; and

(xxiii) ~~(xxii)~~ Other Documents. Such other documents as Buyer may reasonably request, consistent with market practices, in form and substance reasonably acceptable to Buyer.

(c) Initiation.

(i) Prior to the occurrence of an Event of Default, with respect to any proposed Transaction for Eligible Mortgage Loans, as soon as available, but in no event later than [\*\*\*] prior to a proposed Purchase Date, Seller shall deliver to Buyer (i) a Transaction Notice, (ii) an Asset Schedule, and (iii) the Underwriting Package and any other related information available to Seller at that time which, collectively, shall identify the proposed Mortgage Loan(s) for purchase, the material characteristics of such Mortgage Loan(s) and the characteristics of the Purchased Assets. Seller shall also deliver to Buyer such other information as may be reasonably requested by the Buyer to assess such Mortgage Loan(s). Seller shall involve Buyer in all aspects of due diligence as Buyer shall deem necessary in its sole discretion. Buyer shall have the right to review the information set forth on the Asset Schedule and the Eligible Mortgage Loans proposed to be subject to a Transaction as Buyer determines during normal business hours. Seller shall deliver to Buyer a Confirmation no later than [\*\*\*] prior to a proposed Purchase Date and, if each of the conditions precedent in this Section 3 hereof have been met, as determined by Buyer, Buyer may in its sole discretion, fund the related Purchase Price on the Purchase Date and such funding shall be deemed to be Buyer's acceptance of the terms of the proposed Transaction set forth in the Confirmation. Seller shall deliver the final Confirmation to Buyer via e-mail on or prior to [\*\*\*] (New York time) on the related Purchase Date.

(ii) The Repurchase Date for each Transaction shall not be later than the then current Termination Date.

(iii) Each Confirmation, together with this Repurchase Agreement, shall be conclusive evidence of the terms of the Transaction(s) covered thereby.

(iv) No later than the date and time set forth in the Custodial Agreement, Seller shall deliver to the Custodian the Asset File pertaining to each Eligible Mortgage Loan made subject to a Transaction.

(v) Upon Buyer's receipt of the Trust Receipt in accordance with the Custodial Agreement and subject to the provisions of this Section 3, the aggregate Purchase Price will be made available to Seller (x) with respect to each Purchased Asset which is not a Wet-Ink Mortgage Loan, upon Buyer's receipt of the Trust Receipt in accordance with the Custodial Agreement (in any event on or prior to the related Purchase Date) by Buyer transferring, via wire transfer ([pursuant to the related wire transfer instructions set forth on Exhibit E hereto](#)) in the aggregate amount of such Purchase Prices in funds immediately available in accordance with Section 9(b) and (y) with respect to each Wet-Ink Mortgage Loan, by Buyer transferring to the Disbursement Agent via wire transfer ([pursuant to the related wire transfer instructions set forth on Exhibit E hereto](#)) the aggregate amount of such Purchase Price in funds immediately available; provided that to the extent funds are disbursed to the Disbursement Agent and a Wet-Ink Mortgage Loan is not funded, such funds shall be refunded to Buyer on the same Business Day by Disbursement Agent transferring, via wire transfer, in the aggregate amount of such Purchase Prices in funds immediately available.

(vi) With respect to any Wet-Ink Mortgage Loan subject to a Transaction, on the related Purchase Date and on each Business Day following such Purchase Date, no later than the time set forth in the Custodial Agreement, the Custodian shall deliver to Buyer a schedule listing each Wet-Ink Mortgage Loan with respect to which the complete Asset File has not been received by the Custodian (the "Wet-Aged Report").

(d) Optional Repurchase. Subject to the conditions herein, and so long as no Default or Event of Default has occurred or is continuing, Seller may cause the sale of Purchased Assets and effect an Optional Repurchase (as defined below) on any date in connection with such Optional Repurchase which is not made in connection with an ordinary course liquidation of a Mortgage Loan. When the Mortgage Loans are desired to be sold or otherwise transferred or liquidated by Seller (x) to a Take-Out Investor in an arm's length all-cash transaction or (y) in connection with a Capital Markets Transaction or other refinancing transaction that reduces the aggregate outstanding Repurchase Price to zero (unless otherwise agreed to by Buyer in its sole discretion) (an "Optional Repurchase"), for net sale proceeds that are equal to or greater than the Repurchase Price of such Mortgage Loans, Seller shall give Buyer prior written notice thereof by [\*\*\*] (New York time) at least [\*\*\*] prior, which notice designates the applicable Mortgage Loans and specifies the net sale proceeds expected from such sale; provided that the release of any Purchased Assets in accordance with this Section 3(d) shall not result in a Margin Deficit. If such notice is given, Seller shall, or shall cause the Take-Out Investor to, make payment directly to the Buyer or the Nomura Account (at Buyer's determination) in an amount not less than the Repurchase Price.

(e) Repurchase. On the Repurchase Date, termination of the Transaction will be effected by reassignment to the Seller or their designee of the Purchased Assets (and any Income in respect thereof received by Buyer not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Section 5 hereof) against the simultaneous transfer of the Repurchase Price to an account of Buyer. Such obligation to repurchase exists without regard to any prior or intervening liquidation or foreclosure with respect to any Mortgage Loan (but Liquidation Proceeds received by Buyer shall be applied to reduce the Repurchase Price for the Purchased Assets on each Remittance Date except as otherwise provided herein). Seller is obligated to obtain the Asset Files from Buyer or its designee at Seller's expense on the Repurchase Date.

(f) Mandatory Repurchase.

(i) If at any time there has occurred a Purchased Asset Issue with respect to any Purchased Asset, then the Asset Value thereof shall automatically be reduced to zero (unless otherwise determined by Buyer in its sole discretion) and Buyer may, in its sole discretion, with notice to the Seller detailing the basis by which Buyer has determined that such Purchased Asset Issue has occurred (as such notice is more particularly set forth below, a "Repurchase Notice"), require Seller to repurchase such asset. In the case of a repurchase, Seller, shall, at Buyer's direction, be required to repurchase the affected Mortgage Loan as soon as is practicable but, in any case, not more than [\*\*\*] after Buyer has delivered such Repurchase Notice to Seller. Seller shall be required to notify Buyer as soon as is practicable after obtaining knowledge of any fact that could be the basis for any Purchased Asset Issue, but, in any case, not more than [\*\*\*] after obtaining knowledge thereof. For the sake of clarity, Seller shall ensure that such Repurchase Price (including without limitation any related expenses of Buyer incurred in connection therewith) is remitted directly to Buyer and not pursuant to Section 5 hereof. Any cash remitted to Buyer pursuant to this Section 3(f) shall be credited and applied to the Repurchase Price of the related Purchased Asset and any other amounts then due and payable by Seller with respect to such Purchased Asset.

(ii) Buyer's election, in its sole and absolute discretion, not to send a Repurchase Notice at any time a Purchased Asset is no longer an Eligible Mortgage Loan shall not in any way limit or impair its right to send a Repurchase Notice at a later time.

(g) LIBOR Rate Breakage Costs. Without limiting, and in addition to, the provisions of Section 16 hereof, the Seller agrees that if any Repurchase Price is paid other than in connection with an ordinary course liquidation of a Mortgage Loan and such Repurchase Price is paid on a date other than on a Remittance Date, the Seller shall, upon demand by the Buyer, pay to the Buyer any such amounts as are reasonable to compensate the Buyer for any additional losses (not including lost profits), costs or expenses which the Buyer will incur as a result of such payments, including, without limitation, any hedge breakage costs.

(h) Alternative Rate. If prior to any Remittance Date, Buyer determines in its sole discretion that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the LIBOR Rate, the LIBOR Rate is no longer in existence, or the administrator of the LIBOR Rate or a Governmental Authority having jurisdiction over Buyer has made a public statement identifying a specific date after which the LIBOR Rate shall no longer be made available or used for determining the interest rate of loans, Buyer may give prompt written notice thereof to Seller, whereupon the Pricing Rate for such period, and for all subsequent periods until such notice has been withdrawn by Buyer, shall be an alternative benchmark rate (including any mathematical or other adjustments to the benchmark rate (if any) incorporated therein) (any such rate, a "Successor Rate"), together with any proposed Successor Rate Conforming Changes, as determined by Buyer in its sole discretion. Any such determination of the Successor Rate and any Successor Rate conforming changes shall be made by Buyer consistent with its determinations with respect to other repurchase facilities that are substantially the same with similarly situated counterparties and with substantially similar assets subject thereto; provided, that the foregoing shall only apply to repurchase transactions that are under the supervision of the New York structured finance group of Buyer that administers the Transactions.

(i) Excess Concentration Amount; Weighted Average Criteria. If, as of any date of determination, the Repurchase Price (excluding any amounts calculated pursuant to clause (B) of the definition thereof) of any type of Purchased Asset is in excess of any applicable Concentration Limit (such excess amount, the "Excess Concentration Amount"), then the Asset Value attributable to such Excess Concentration Amount shall automatically be reduced to zero (unless otherwise determined by Buyer in its sole discretion) and Buyer may, in its sole discretion, with notice to the Seller require Seller to reduce such Repurchase Price by remitting such Excess Concentration Amount to Buyer within [\*\*\*] of Seller's receipt of such notice. If, as of any date of determination, any Weighted Average Criteria are violated, then the Asset Value attributable to Purchased Assets that cause such Weighted Average Criteria to be violated as determined by Buyer (the "Weighted Average Violation Assets") shall automatically be reduced to zero (unless otherwise determined by Buyer in its sole discretion) and Buyer may, in its sole discretion, with notice to the Seller require Seller to reduce such Repurchase Price by remitting the amount of the Repurchase Price (excluding any amounts calculated pursuant to clause (B) of the definition thereof) attributable to such Weighted Average Violation Assets (such amount, the "Weighted Average Violation Amount") to Buyer within [\*\*\*] of Seller's receipt of such notice.

(j) Repurchase Price Adjustment Amount. If, as of any date of determination, a Repurchase Price Adjustment Date occurs with respect to any Purchased Asset, Seller shall remit the related Repurchase Price Adjustment Amount to Buyer within [\*\*\*] following its receipt of written notice thereof by Buyer. For the sake of clarity, following the payment of any Repurchase Price Adjustment Amount on any Repurchase Price Adjustment Date, all Purchased Assets then subject to a Transaction shall be in compliance with all applicable Concentration Limits.

#### Section 4. Margin Amount Maintenance.

(a) At any time a Margin Deficit exists in excess of [\*\*\*], then Buyer may, by notice to Seller (as such notice is more particularly set forth below, a "Margin Call"), require Seller to transfer to Buyer or its designee, cash or, in Buyer's sole discretion, Additional Acceptable Assets to cure such Margin Deficit (such amount or Additional Acceptable Assets, the "Margin Payment").

(b) Notice delivered pursuant to Section 4(a) may be given by any written or electronic means. Any Margin Deficit notice given before [\*\*\*] (New York City time) on a Business Day shall be met, and the related Margin Payment received, no later than [\*\*\*] (New York City time) on the following Business Day. If notice is made after [\*\*\*] (New York City time) on a Business Day, the Margin Payment shall be received by Buyer at [\*\*\*] (New York City time) on the second following Business Day.

(c) The failure of Buyer, on any one or more occasions, to exercise its rights hereunder, including, without limitation, its failure to send a Margin Call notice at any time a Purchased Asset is no longer an Eligible Mortgage Loan, or at any time there exists a Margin Deficit, shall not change or alter the terms and conditions to which this Agreement is subject or limit the right of Buyer to do so at a later date, or in any way create additional rights for Seller.

(d) Any cash transferred to Buyer pursuant to Section 4(a) above shall be credited to the Repurchase Price of the related Transactions.

Section 5. Income Payments.

(a) Notwithstanding that Buyer and Seller intend that the Transactions hereunder be sales to Buyer of the Purchased Assets for all purposes except accounting and tax purposes, Seller shall pay to Buyer the accrued and unpaid Price Differential (less any amount of such Price Differential previously paid by Seller to Buyer) on the Remittance Date. If Seller fails to pay all or part of the Price Differential then due by [\*\*\*] (New York time) on any Remittance Date, the Pricing Rate shall be equal to the Post-Default Rate until the Price Differential then due is received in full by Buyer.

(b) Seller shall, and shall cause Servicer to, hold for the benefit of, and in trust for, Buyer all Income, including, without limitation, all Income received by or on behalf of Seller with respect to the Purchased Assets. Seller shall cause the Servicer (other than in the case of Seller acting in the capacity of Servicer during the Interim Servicing Period) to deposit all such Income received on account of the Purchased Assets serviced, subserviced or managed by such Servicer in the related Collection Account, in accordance with the applicable Servicer Notice. To the extent that Seller is holding any Income, Seller shall deposit such Income on receipt into the Nomura Account. To the extent such deposits are insufficient to cover the full Price Differential due on the next Remittance Date, Seller shall deposit funds into the Nomura Account sufficient to cover such shortfall.

(c) Seller shall cause Servicer (other than in the case of Seller acting in the capacity of Servicer) to remit to Collection Account all Income with respect to the Purchased Assets (such instruction shall be set forth in the Servicer Notice and shall be irrevocable without the prior written consent of Buyer during the Interim Servicing Period) no later than, [\*\*\*] of the application by such Servicer in such Servicer's system of such collections in respect of the Purchased Assets, which in any event shall be no later than within [\*\*\*] of receipt of such collections. All Income shall be held in trust for Buyer, shall constitute the property of Buyer except for tax purposes which shall be treated as income and property of Seller and when deposited into the Collection Account and Nomura Account, respectively, shall not be commingled with other property of Seller or any Affiliate of Seller; provided, however, that, prior to the occurrence and continuance of an Event of Default, the Servicer as agent of the Seller shall have access to Income to make any permitted withdrawals in accordance with the terms of the Servicing Agreement as modified by the Servicer Notice. Notwithstanding anything contained herein or in any of the other Facility Documents to the contrary, Seller shall not at any time have access to the Collection Account and Seller shall not issue any instructions or directions to the Collection Account Bank with respect to the Collection Account.

(d) No later than [\*\*\*] prior to each Remittance Date, Seller shall cause Servicer as agent of Seller to cause the Collection Account Bank to remit to the Nomura Account all funds then on deposit in the Collection Account. Funds on deposit in the Nomura Account shall be applied by Buyer on each Remittance Date prior to the occurrence of an Event of Default as follows:

(A) first, pro rata, to Custodian and Disbursement Agent on account of any accrued and unpaid custodial and disbursement agent fees, and to the Collection Account Bank on account of any accrued and unpaid fees, unless Seller is paying such fees directly;

(B) second, to Buyer an amount equal to the Price Differential which has accrued and is outstanding as of the Remittance Date;

(C) third, to Buyer on account of unpaid fees, expenses, LIBOR Rate breakage costs, indemnity amounts and any other amounts due to the Buyer from Seller under the Agreement;

(D) fourth, to pay to Buyer an amount sufficient to eliminate any outstanding Margin Deficit (without giving effect to any notice period) and without limiting Seller's obligation to satisfy a Margin Deficit in a timely manner as required by Section 4) and any accrued and unpaid Excess Concentration Amount, the Weighted Average Violation Amount, and Repurchase Price Adjustment Amount;

(E) fifth, all remaining amounts (if any), to the Seller.

(e) Reserved.

(f) To the extent that Buyer receives any funds from a Take-out Investor with respect to the purchase by such Take-out Investor of a Mortgage Loan ("Disposition Proceeds"), the Buyer shall promptly apply such funds to the Repurchase Price of the Mortgage Loans purchased by such Take-out Investor, any Margin Deficit, and shall promptly remit any excess to Seller.

(g) Notwithstanding the preceding provisions, if an Event of Default has occurred, all funds in the Collection Account and Waterfall Account shall be withdrawn and applied to payment of Seller's Obligations hereunder as determined by Buyer until all such Obligations have been paid in full, and thereafter to Seller.

Section 6. Requirements of Law.

(a) If any Requirement of Law or any change in the interpretation or application thereof or compliance by Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject Buyer to any Tax or increased Tax of any kind whatsoever with respect to this Agreement or any Transaction or change the basis of taxation of payments to Buyer in respect thereof;

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, or other extensions of credit by, or any other acquisition of funds by, any office of Buyer which is not otherwise included in the determination of the LIBOR Rate hereunder; or

(iii) shall impose on Buyer any other condition;

and the result of any of the foregoing is to increase the cost to Buyer, by an amount which Buyer deems to be material, of entering, continuing or maintaining any Transaction or to reduce any amount due or owing hereunder in respect thereof, then, in any such case, Seller shall promptly pay Buyer such additional amount or amounts as calculated by Buyer in good faith as will compensate Buyer for such increased cost or reduced amount receivable within [\*\*\*] from the date on which Buyer makes written demand therefor.

(b) If Buyer shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by Buyer or any corporation controlling Buyer with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on Buyer's or such corporation's capital as a consequence of its obligations hereunder to a level below that which Buyer or such corporation could have achieved but for such adoption, change or compliance (taking into consideration Buyer's or such corporation's policies with respect to capital adequacy) by an amount deemed by Buyer to be material, then from time to time, Seller shall promptly pay to Buyer such additional amount or amounts as will compensate Buyer for such reduction, within [\*\*\*] from the date on which Buyer makes written demand therefor.

(c) If Buyer becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify Seller of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this Section submitted by Buyer to Seller shall be conclusive in the absence of manifest error.

#### Section 7. Taxes.

(a) Any and all payments by Seller under or in respect of this Agreement or any other Facility Documents to which Seller is a party shall be made free and clear of, and without deduction or withholding for or on account of, any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities (including penalties, interest and additions to tax) with respect thereto, whether now or hereafter imposed, levied, collected, withheld or assessed by any taxation authority or other Governmental Authority (collectively, "Taxes"), unless required by law. If Seller shall be required under any applicable Requirement of Law to deduct or withhold any Taxes from or in respect of any sum payable under or in respect of this Agreement or any of the other Facility Documents to Buyer, (i) Seller shall make all such deductions and withholdings in respect of Taxes, (ii) Seller shall pay the full amount deducted or withheld in respect of Taxes to the relevant taxation authority or other Governmental Authority in accordance with any applicable Requirement of Law, and (iii) the sum payable by Seller shall be increased as may be necessary so that after Seller has made all required deductions and withholdings (including deductions and withholdings applicable to additional amounts payable under this Section 7) Buyer receives an amount equal to the sum it would have received had no such deductions or withholdings been made in respect of Non-Excluded Taxes. For purposes of this Agreement the

term “Non-Excluded Taxes” are Taxes other than, in the case of Buyer, Taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the jurisdiction under the laws of which Buyer is organized or of its applicable lending office, or any political subdivision thereof, unless such Taxes are imposed as a result of Buyer having executed, delivered or performed its obligations or received payments under, or enforced, this Agreement or any of the other Facility Documents (in which case such Taxes will be treated as Non-Excluded Taxes).

(b) In addition, Seller hereby agrees to pay any present or future stamp, recording, documentary, excise, property or value-added taxes, or similar taxes, charges or levies that arise from any payment made under or in respect of this Agreement or any other Facility Document or from the execution, delivery or registration of, any performance under, or otherwise with respect to, this Agreement or any other Facility Document (collectively, “Other Taxes”).

(c) Seller hereby agrees to indemnify Buyer for, and to hold it harmless against, the full amount of Non-Excluded Taxes and Other Taxes, and the full amount of Non-Excluded Taxes or Other Taxes imposed on amounts payable by Seller under this Section 7 imposed on or paid by Buyer and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto. The indemnity by Seller provided for in this Section 7(c) shall apply and be made whether or not the Non-Excluded Taxes or Other Taxes for which indemnification hereunder is sought have been correctly or legally imposed or asserted. Amounts payable by Seller under the indemnity set forth in this Section 7(c) shall be paid within [\*\*\*] from the date on which Buyer makes written demand therefor.

(d) [Reserved].

(e) For purposes of subsection (e) of this Section 7, the terms “United States” and “United States person” shall have the meanings specified in Section 7701 of the Code. Each Buyer (including for avoidance of doubt any assignee, successor or participant) that either (i) is not incorporated under the laws of the United States, any State thereof, or the District of Columbia or (ii) whose name does not include “Incorporated,” “Inc.,” “Corporation,” “Corp.,” “P.C.,” “N.A.,” “National Association,” “insurance company,” or “assurance company” (a “Non-Exempt Buyer”) shall deliver or cause to be delivered to Seller the following properly completed and duly executed documents:

(i) in the case of a Non-Exempt Buyer that is not a United States person or is a foreign disregarded entity for U.S. federal income tax purposes that is entitled to provide such form, a complete and executed (x) U.S. Internal Revenue Form W-8BEN with Part II completed in which Buyer claims the benefits of a tax treaty with the United States providing for a zero or reduced rate of withholding (or any successor forms thereto), including all appropriate attachments or (y) a U.S. Internal Revenue Service Form W-8ECI (or any successor forms thereto); or

(ii) in the case of an individual, (x) a complete and executed U.S. Internal Revenue Service Form W-8BEN (or any successor forms thereto) and a certificate substantially in the form of Exhibit F (a “Section 7 Certificate”) or (y) a complete and executed U.S. Internal Revenue Service Form W-9 (or any successor forms thereto); or

(iii) in the case of a Non-Exempt Buyer that is organized under the laws of the United States, any State thereof, or the District of Columbia, a complete and executed U.S. Internal Revenue Service Form W-9 (or any successor forms thereto), including all appropriate attachments; or

(iv) in the case of a Non-Exempt Buyer that (x) is not organized under the laws of the United States, any State thereof, or the District of Columbia and (y) is treated as a corporation for U.S. federal income tax purposes, a complete and executed U.S. Internal Revenue Service Form W-8BEN (or any successor forms thereto) and a Section 7 Certificate; or

(v) in the case of a Non-Exempt Buyer that (A) is treated as a partnership or other non-corporate entity, and (B) is not organized under the laws of the United States, any State thereof, or the District of Columbia, (x)(i) a complete and executed U.S. Internal Revenue Service Form W-8IMY (or any successor forms thereto) (including all required documents and attachments) and (ii) a Section 7 Certificate, and (y) without duplication, with respect to each of its beneficial owners and the beneficial owners of such beneficial owners looking through chains of owners to individuals or entities that are treated as corporations for U.S. federal income tax purposes (all such owners, "beneficial owners"), the documents that would be provided by each such beneficial owner pursuant to this Section if such beneficial owner were Buyer; provided, however, that no such documents will be required with respect to a beneficial owner to the extent the actual Buyer is determined to be in compliance with the requirements for certification on behalf of its beneficial owner as may be provided in applicable U.S. Treasury regulations, or the requirements of this clause (v) are otherwise determined to be unnecessary, all such determinations under this clause (v) to be made in the sole discretion of Seller; provided, however, that Buyer shall be provided an opportunity to establish such compliance as reasonable; or

(vi) in the case of a Non-Exempt Buyer that is disregarded for U.S. federal income tax purposes, the document that would be provided by its beneficial owner pursuant to this Section if such beneficial owner were Buyer; or

(vii) in the case of a Non-Exempt Buyer that (A) is not a United States person and (B) is acting in the capacity as an "intermediary" (as defined in U.S. Treasury Regulations), (x)(i) a U.S. Internal Revenue Service Form W-8IMY (or any successor form thereto) (including all required documents and attachments) and (ii) a Section 7 Certificate, and (y) if the intermediary is a "non-qualified intermediary" (as defined in U.S. Treasury Regulations), from each person upon whose behalf the "non-qualified intermediary" is acting the documents that would be provided by each such person pursuant to this Section if each such person were Buyer.

If Buyer has provided a form pursuant to clause (e)(i)(x) above and the form provided by Buyer either at the time Buyer first becomes a party to this Agreement or, with respect to a grant of a participation, at the effective date of such participation, indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be treated as Taxes other than "Non-Excluded Taxes" ("Excluded Taxes") and shall not qualify as Non-Excluded

Taxes unless and until Buyer provides the appropriate form certifying that a lesser rate applies, whereupon withholding tax at such lesser rate shall be considered Excluded Taxes solely for the periods governed by such form. If, however, on the date (after the Effective Date) a Person becomes an assignee, successor or participant to this Agreement, Buyer transferor was entitled to indemnification or additional amounts under this Section 7, then Buyer assignee, successor or participant shall be entitled to indemnification or additional amounts to the extent (and only to the extent), that Buyer transferor was entitled to such indemnification or additional amounts for Non-Excluded Taxes, and Buyer assignee, successor or participant shall be entitled to additional indemnification or additional amounts for any other or additional Non-Excluded Taxes.

(f) For any period with respect to which Buyer has failed to provide Seller with the appropriate form, certificate or other document described in subsection (e) of this Section 7 (other than (i) if such failure is due to a change in any applicable Requirement of Law, or in the interpretation or application thereof, occurring after the date on which a form, certificate or other document originally was required to be provided by Buyer, or (ii) if it is legally inadvisable or otherwise commercially disadvantageous for Buyer to deliver such form, certificate or other document), Buyer shall not be entitled to indemnification or additional amounts under subsection (a) or (c) of this Section 7 with respect to Non-Excluded Taxes imposed by the United States by reason of such failure; provided, however, that should a Buyer become subject to Non-Excluded Taxes because of its failure to deliver a form, certificate or other document required hereunder, Seller shall take such steps as Buyer shall reasonably request, to assist Buyer in recovering such Non-Excluded Taxes.

(g) Without prejudice to the survival of any other agreement of Seller hereunder, the agreements and obligations of Seller contained in this Section 7 shall survive the termination of this Agreement. Nothing contained in this Section 7 shall require Buyer to make available any of its tax returns or any other information that it deems to be confidential or proprietary.

(h) Each party to this Agreement acknowledges that it is its intent for purposes of U.S. federal, and relevant state and local income and franchise taxes, to treat the Transaction as indebtedness of Seller that is secured by the Purchased Assets and the Purchased Assets as owned by Seller for federal income tax purposes in the absence of a Default by Seller. All parties to this Agreement agree to such treatment and agree to take no action inconsistent with this treatment, unless required by law.

#### Section 8. Security Interest; Buyer's Appointment as Attorney-in-Fact.

(a) Security Interest. On the Purchase Date, Seller hereby sells, assigns and conveys to Buyer all right, title and interest in the Purchased Assets to the extent of its rights therein. Although the parties intend that all Transactions hereunder be sales and purchases (other than for accounting and tax purposes) and not loans, in the event any such Transactions are deemed to be loans, and in any event, Seller, to the extent of its rights therein, hereby pledges on the date hereof to Buyer as security for the performance of the Obligations and hereby grants, assigns and pledges to Buyer a first priority security interest in Seller's rights, title and interest in the Purchased Assets (including any Additional Acceptable Assets that are Purchased Assets), any other Additional Acceptable Assets transferred to Buyer pursuant to Section 4(a) hereof, the Records,

all Servicing Rights related to the Purchased Assets (to the extent of Seller's rights therein), all Take-out Commitments, the Facility Documents (to the extent such Facility Documents and Seller's rights thereunder relate to the Purchased Assets), any Property relating to any Purchased Asset or the related Mortgaged Property, all insurance policies and insurance proceeds relating to any Purchased Asset or any related Mortgaged Property, including but not limited to any payments or proceeds under any related primary insurance or hazard insurance and FHA Mortgage Insurance Contracts and VA Loan Guaranty Agreements, any Income relating to any Purchased Asset, each Collection Account, the Disbursement Account, the Servicing Agreements, and any other contract rights, accounts (including any interest of Seller in escrow accounts) and any other payments, rights to payment (including payments of interest or finance charges) and general intangibles to the extent that the foregoing relates to any Purchased Assets or any interest in the Purchased Assets, as are specified on a Confirmation and/or Trust Receipt and Asset Detail and Exception Report, and any proceeds and distributions and any other property, rights, title or interests with respect to any of the foregoing, in all instances, whether now owned or hereafter acquired, now existing or hereafter created (collectively, the "Repurchase Assets").

Without limiting the generality of the foregoing and in the event that Seller is deemed to retain any residual Servicing Rights and in order to secure Seller's obligations under Section 17 of this Agreement, and for the avoidance of doubt, Seller grants, assigns and pledges to Buyer a security interest in the Servicing Rights and the related Servicing Records, all rights of Seller as Servicer to receive from any third party or to take delivery of any Servicing Records or other documents which constitute a part of the Asset File or Servicing File and proceeds related thereto and in all instances, whether now owned or hereafter acquired, now existing or hereafter created, on or prior to the related Repurchase Date. The foregoing provision is intended to constitute a security agreement or other arrangement or other credit enhancement related to this Agreement and Transactions hereunder as defined under Sections 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code.

Seller hereby authorizes Buyer to file such financing statement or statements relating to the Repurchase Assets as Buyer, at its option, may deem reasonable and appropriate. Seller shall pay the filing costs for any financing statement or statements prepared pursuant to this Section 8.

The grants of security interest set forth in this Section are intended to constitute a security agreement or other arrangement or other credit enhancement related to the Agreement and Transactions hereunder as defined under Section 101(47)(v) and 741(7)(xi) of the Bankruptcy Code.

(b) Buyer's Appointment as Attorney in Fact. Seller hereby irrevocably constitutes and appoints Buyer and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Seller, and in the name of Seller or in its own name, from time to time in Buyer's discretion, for the purpose of carrying out the terms of this Agreement and to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement, in each case, subject to the terms of this Agreement. Without limiting the generality of the foregoing, Seller hereby give Buyer the power

and right, on behalf of Seller without assent by, but with notice to, Seller if an Event of Default shall have occurred and be continuing, to do the following:

(i) in the name of Seller or in its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any other Repurchase Assets and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Buyer for the purpose of collecting any and all such moneys due with respect to any other Repurchase Assets whenever payable;

(ii) to pay or discharge taxes and Liens levied or placed on or threatened against the Repurchase Assets; and

(iii) (A) to direct any party liable for any payment under any Repurchase Assets to make payment of any and all moneys due or to become due thereunder directly to Buyer or as Buyer shall direct, including, without limitation, any payment agent with respect to any Repurchase Asset; (B) to send "goodbye" letters on behalf of Seller and Servicer; (C) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Repurchase Assets; (D) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any Repurchase Assets; (E) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Repurchase Assets or any proceeds thereof and to enforce any other right in respect of any Repurchase Assets; (F) to defend any suit, action or proceeding brought against Seller with respect to any Repurchase Assets; (G) to settle, compromise or adjust any suit, action or proceeding described in clause (F) above and, in connection therewith, to give such discharges or releases as Buyer may deem appropriate; and (H) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Repurchase Assets as fully and completely as though Buyer were the absolute owner thereof for all purposes, and to do, at Buyer's option and Seller's expense, at any time, and from time to time, all acts and things which Buyer deems necessary to protect, preserve or realize upon the Repurchase Assets and Buyer's Liens thereon and to effect the intent of this Agreement, all as fully and effectively as Seller might do.

Seller hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable. In addition the foregoing, Seller agrees to execute a Power of Attorney, the form of Exhibit J hereto, to be delivered on the date hereof. Seller and Buyer acknowledges that the Powers of Attorney shall terminate on the later of (a) the Termination Date and (b) the satisfaction in full of the Obligations.

Seller also authorizes Buyer, if an Event of Default shall have occurred, from time to time, to execute, in connection with any sale provided for in Section 15 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Repurchase Assets.

The powers conferred on Buyer hereunder are solely to protect Buyer's interests in the Repurchase Assets and shall not impose any duty upon it to exercise any such powers. Buyer shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Seller for any act or failure to act hereunder, except for its or their own gross negligence or willful misconduct.

Section 9. Payment, Transfer And Custody.

(a) Payments and Transfers of Funds. Unless otherwise mutually agreed in writing, all transfers of funds to be made by Seller hereunder shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to Buyer at the following account maintained by Buyer: [\*\*\*], [\*\*\*], Account No. [\*\*\*], for the account of Nomura Corporate Funding Americas LLC, ABA No. [\*\*\*], ref: Funds for FAM, not later than [\*\*\*] New York City time, on the date on which such payment shall become due (and each such payment made after such time shall be deemed to have been made on the next succeeding Business Day). Seller acknowledges that it has no rights of withdrawal from the foregoing account.

(b) Remittance of Purchase Price. On the Purchase Date for each Transaction, ownership of the Purchased Assets shall be transferred to Buyer or its designee (i) with respect to Purchased Assets that are not Wet-Ink Mortgage Loans, against the simultaneous transfer of the Purchase Price to such account as agreed to by Buyer and Seller, simultaneously with the delivery to Buyer of the Purchased Assets relating to each Transaction and (ii) with respect to the Wet-Ink Mortgage Loans, upon the disbursement of funds by the Disbursement Agent pursuant to the terms and conditions of the Custodial Agreement. Upon notice from the Settlement Agent to Seller and/or Buyer that any Wet-Ink Mortgage Loan subject to a Transaction was not originated, the Wet-Ink Mortgage Loan shall be removed from the list of Eligible Mortgage Loans and the Settlement Agent shall immediately return the related Purchase Price funded by Buyer via wire transfer to the account of Buyer specified in Section 9(a) in accordance with the Escrow Instruction Letter. Seller shall immediately notify Buyer if a Wet-Ink Mortgage Loan was not originated and has been removed from the list of Eligible Mortgage Loans.

Section 10. Hypothecation or Pledge of Purchased Assets(i). Title to all Purchased Assets and Repurchase Assets shall pass to Buyer and Buyer shall have free and unrestricted use of all Purchased Assets. Nothing in this Agreement shall preclude Buyer, at no additional cost to Seller, from engaging in repurchase transactions with the Purchased Assets or otherwise pledging, repledging, transferring, hypothecating, or rehypothecating the Purchased Assets. In furtherance, and not by limitation of, the foregoing, it is acknowledged that each counterparty with which Buyer may engage in a transaction as contemplated hereunder is a repleree as contemplated by Sections 9-207 and 9-623 of the UCC (and the relevant Official Comments thereunder). Nothing contained in this Agreement shall obligate Buyer to segregate any Purchased Assets delivered to Buyer by Seller; provided, however, that Buyer is obligated to return the specific Purchased Assets upon repurchase by Seller.

Section 11. Fees. Seller shall pay to Buyer in immediately available funds, all fees due and owing as and when set forth in the Pricing Side Letter. The fees are non-refundable, and such payment shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to Buyer at such account designated by Buyer.

Section 12. Representations. Seller represents and warrants to Buyer that as of the Purchase Date of any Purchased Assets by Buyer from Seller and as of the date of this Agreement and any Transaction hereunder and at all times while the Facility Documents and any Transaction hereunder is in full force and effect:

(a) Acting as Principal. Seller will engage in such Transactions as principal (or, if agreed in writing in advance of any Transaction by the other party hereto, as agent for a disclosed principal).

(b) [Reserved].

(c) Solvency. Neither the Facility Documents nor any Transaction thereunder are entered into in contemplation of insolvency or with intent to hinder, delay or defraud any of Seller's creditors. The transfer of the Purchased Assets subject hereto is not undertaken with the intent to hinder, delay or defraud any of Seller's creditors. Seller is not insolvent within the meaning of 11 U.S.C. Section 101(32) and the transfer and sale of the Purchased Assets pursuant hereto (i) will not cause Seller to become insolvent, (ii) will not result in any property remaining with Seller to be unreasonably small capital, and (iii) will not result in debts that would be beyond Seller's ability to pay as same mature. Seller received reasonably equivalent value in exchange for the transfer and sale of the Purchased Assets.

(d) No Broker. Seller has not dealt with any broker, investment banker, agent, or other person, except for Buyer, who may be entitled to any commission or compensation in connection with the sale of Purchased Assets pursuant to this Agreement.

(e) Ability to Perform. Seller does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in the Facility Documents to which it is a party on its part to be performed.

(f) Existence. Seller (a) is a limited liability company duly organized, validly existing under the laws of Delaware, (b) is in good standing under the laws of Delaware, (c) has all requisite corporate or other power, and has all governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted, except where the lack of such licenses, authorizations, consents and approvals would not be reasonably likely to have a Material Adverse Effect; and (d) is qualified to do business and is in good standing in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary, except where failure so to qualify would not be reasonably likely (either individually or in the aggregate) to have a Material Adverse Effect.

(g) Financial Statements. Seller has heretofore furnished to Buyer a copy of (a) the Financial Statements of Seller for the fiscal year ended December 31, 2018 with the opinion thereon of BDO USA, LLP and (b) consolidated balance sheet and the consolidated balance sheets for Seller and its consolidated Subsidiaries for such monthly periods up until June 30, 2019 and the related consolidated statements of income and retained earnings for Seller and its consolidated Subsidiaries for such monthly periods. All such financial statements are complete and correct and

fairly present, in all material respects, the consolidated financial condition of Seller and its Subsidiaries, as applicable, and the consolidated results of their operations as at such dates and for such monthly periods, all in accordance with GAAP applied on a consistent basis. Since June 30, 2019, there has been no material adverse change in the consolidated business, operations or financial condition of Seller or its consolidated Subsidiaries taken as a whole from that set forth in said financial statements nor is Seller aware of any state of facts which (without notice or the lapse of time) would or could result in any such material adverse change or could have a Material Adverse Effect. Seller has, on June 30, 2019, no liabilities, direct or indirect, fixed or contingent, matured or unmatured, known or unknown, or liabilities for taxes, long-term leases or unusual forward or long-term commitments not disclosed by, or reserved against in, said balance sheet and related statements, and at the present time there are no material unrealized or anticipated losses from any loans, advances or other commitments of Seller except as heretofore disclosed to Buyer in writing.

(h) No Breach. Neither (a) the execution and delivery of the Facility Documents nor (b) the consummation of the transactions therein contemplated to be entered into by Seller in compliance with the terms and provisions thereof will conflict with or result in (i) a breach of the organizational documents of Seller, or (ii) a breach of any applicable law, rule or regulation, or (iii) a breach of any order, writ, injunction or decree of any Governmental Authority, or (iv) a breach of other material agreement or instrument to which Seller or any of its Subsidiaries is a party or by which any of them or any of their Property is bound or to which any of them is subject, or (v) a default under any such material agreement or instrument, or (vi) the creation or imposition of any Lien (except for the Liens created pursuant to the Facility Documents) upon any Property of Seller or any of its Subsidiaries pursuant to the terms of any such agreement or instrument.

(i) Action. Seller has all necessary corporate or other power, authority and legal right to execute, deliver and perform its obligations under each of the Facility Documents, as applicable; the execution, delivery and performance by Seller of each of the Facility Documents have been duly authorized by all necessary corporate or other action on its part; and each Facility Document has been duly and validly executed and delivered by Seller.

(j) Approvals. No authorizations, approvals or consents of, and no filings or registrations with, any Governmental Authority or any securities exchange are necessary for the execution, delivery or performance by Seller of the Facility Documents or for the legality, validity or enforceability thereof, except for filings and recordings in respect of the Liens created pursuant to the Facility Documents.

(k) Enforceability. This Agreement and all of the other Facility Documents executed and delivered by Seller in connection herewith are legal, valid and binding obligations of Seller and are enforceable against Seller in accordance with their terms except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity.

(l) Agency Matters. Seller is (i) approved by Fannie Mae as an approved lender, (ii) approved by Freddie Mac as an approved seller/servicer, (iii) an FHA Approved Mortgagee, (iv) a VA Approved Lender, and (v) to the extent necessary, approved by the Secretary of Housing and Urban Development pursuant to Sections 203 and 211 of the National Housing Act (such collective approvals, "Agency Approvals"). Seller is in good standing, with no event having occurred or being reasonably likely to occur, including, without limitation, a change in insurance coverage which would either make Seller unable to comply with the eligibility requirements for maintaining all such applicable approvals or require a waiver from any Agency, FHA or VA.

(m) Material Adverse Effect. Since June 30, 2019, there has been no development or event nor, to Seller's knowledge, any prospective development or event, which has had or could reasonably be expected to have a Material Adverse Effect.

(n) No Default. No Event of Default has occurred and is continuing.

(o) No Adverse Selection. Seller has not selected the Purchased Assets in a manner so as to adversely affect Buyer's interests.

(p) Litigation. There are no actions, suits, arbitrations, investigations (including, without limitation, any of the foregoing which are pending or threatened in writing) or other legal or arbitrable proceedings affecting Seller or any of its Subsidiaries or affecting any of the Property of any of them before any Governmental Authority that (i) questions or challenges the validity or enforceability of any of the Facility Documents or any action to be taken in connection with the transactions contemplated hereby, (ii) except as disclosed in writing to Buyer prior to the Closing Date, makes a claim in an aggregate amount greater than [\*\*\*] (other than such actions arising under normal due course, including foreclosure actions) or (iii) which, individually or in the aggregate, could be reasonably likely to have a Material Adverse Effect.

(q) Margin Regulations. The use of all funds acquired by Seller under this Agreement will not conflict with or contravene any of Regulations T, U or X promulgated by the Board of Governors of the Federal Reserve System as the same may from time to time be amended, supplemented or otherwise modified.

(r) Taxes. Seller and its respective Subsidiaries has timely filed all tax returns that are required to be filed by it and has timely paid all Taxes, except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided. There are no Liens for Taxes, except for statutory Liens for Taxes not yet due and payable.

(s) Investment Company Act. Neither Seller nor any of its Subsidiaries is required to be registered as an "investment company", or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

(t) Purchased Assets.

(i) Seller has not assigned, pledged, or otherwise conveyed or encumbered any Purchased Asset, Mortgage Loan to any other Person.

(ii) Immediately prior to the sale of a Purchased Asset to Buyer, Seller was the sole owner of such Purchased Asset and had good and marketable title thereto, free and clear of all Liens, in each case except for Liens to be released simultaneously with the sale to Buyer hereunder.

(iii) The provisions of this Agreement are effective to either constitute a sale of the Purchased Assets to Buyer or to create in favor of Buyer a valid security interest in all right, title and interest of Seller in, to and under the Purchased Assets. The provisions of this Agreement are effective to either constitute a sale of the Repurchase Assets to Buyer or to create in favor of Buyer a valid security interest in all right, title and interest of Seller in, to and under the Repurchase Assets.

(u) Chief Executive Office/Jurisdiction of Organization. On the Effective Date, Seller's chief executive office, is, and has been located at ~~300 Welsh Rd., Building 5, Horsham, Pennsylvania 19044~~ 1 West Elm Street, First Floor, Conshohocken, PA 19428. On the Effective Date, Seller's jurisdiction of organization is Delaware.

(v) Location of Books and Records. The location where the Seller keeps its books and records, including all computer tapes and records related to the Repurchase Assets, is its chief executive office.

(w) True and Complete Disclosure. The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of Seller to Buyer in connection with the negotiation, preparation or delivery of this Agreement and the other Facility Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of Seller to Buyer in connection with this Agreement and the other Facility Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to a Responsible Officer of Seller, after due inquiry, that could reasonably be expected to have a Material Adverse Effect that has not been disclosed herein, in the other Facility Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to Buyer for use in connection with the transactions contemplated hereby or thereby.

(x) ERISA.

(i) No liability under Section 4062, 4063, 4064 or 4069 of ERISA has been or is expected by Seller to be incurred by Seller or any ERISA Affiliate thereof with respect to any Plan which is a Single-Employer Plan in an amount that could reasonably be expected to have a Material Adverse Effect.

(ii) No Plan which is a Single-Employer Plan had an accumulated funding deficiency, whether or not waived, as of the [\*\*\*] of the most recent fiscal year of such Plan ended prior to the date hereof, and no such plan which is subject to Section 412 of the Code failed to meet the requirements of Section 436 of the Code as of such [\*\*\*]. Seller is not nor any ERISA Affiliate thereof is subject to a Lien in favor of such a Plan as described in Section 430(k) of the Code or Section 303(k) of ERISA.

(iii) Each Plan of Seller and each of its respective Subsidiaries and each of their ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code, except where the failure to comply would not result in any Material Adverse Effect.

(iv) Seller has not nor any of its Subsidiaries nor any ERISA Affiliate has incurred a tax liability under Chapter 43 of the Code or a penalty under Section 502(i) of ERISA which has not been paid in full, except where the incurrence of such tax or penalty would not result in a Material Adverse Effect.

(v) Seller has not nor any of its Subsidiaries nor any ERISA Affiliate thereof has incurred or reasonably expects to incur any withdrawal liability under Section 4201 of ERISA as a result of a complete or partial withdrawal from a Multiemployer Plan in an amount that could reasonably be expected to have a Material Adverse Effect.

(y) Reserved.

(z) No Reliance. Seller has made its own independent decisions to enter into the Facility Documents and each Transaction and as to whether such Transaction is appropriate and proper for it based upon its own judgment and upon advice from such advisors (including without limitation, legal counsel and accountants) as it has deemed necessary. Seller is not relying upon any advice from Buyer as to any aspect of the Transactions, including without limitation, the legal, accounting or tax treatment of such Transactions.

(aa) Plan Assets. Seller is not an employee benefit plan as defined in Section 3 of Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code, and the Purchased Assets are not "plan assets" within the meaning of 29 CFR §2510.3-101, as modified by Section 3(42) of ERISA, and transactions by or with Seller are not subject to any state or local statute regulating investments of, or fiduciary obligations with respect to governmental plans within the meaning of Section 3(32) of ERISA.

(bb) Anti-Money Laundering Laws. Seller 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"); Seller 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 acquisition of each Mortgage Loan for purposes of the Anti-Money Laundering Laws, including with respect to the legitimacy of the applicable Mortgagor and the origin of the assets used by the said Mortgagor to purchase the property in question, and maintains, and will maintain, sufficient information to identify the applicable Mortgagor for purposes of the Anti-Money Laundering Laws.

(cc) No Prohibited Persons. Seller is not nor any of its respective Affiliates, officers, directors, partners or members or the Mortgagor related to any Purchased Asset is an entity or person (or to Seller's knowledge, owned or controlled by an entity or person): (i) that is listed in the Annex to, or is otherwise subject to the provisions of Executive Order 13224 issued on September 24, 2001 ("EO13224"); (ii) whose name appears on the United States Treasury Department's Office of Foreign Assets Control ("OFAC") most current list of "Specifically Designated National and Blocked Persons" (which list may be published from time to time in various mediums including, but not limited to, the OFAC website, <http://www.treas.gov/ofac/t11sdn.pdf>); (iii) who commits, threatens to commit or supports "terrorism", as that term is defined in EO13224; or (iv) who is otherwise affiliated with any entity or person listed above (any and all parties or persons described in clauses (i) through (iv) above are herein referred to as a "Prohibited Person").

Section 13. Covenants Of Seller. On and as of the date of this Agreement and each Purchase Date and on each day until this Agreement is no longer in force, Seller covenants as follows:

(a) Preservation of Existence; Compliance with Law. Seller shall:

- (i) Preserve and maintain its legal existence;
- (ii) Comply with the requirements of all applicable material laws, rules, regulations and orders, whether now in effect or hereafter enacted or promulgated by any applicable Governmental Authority (including, without limitation, all environmental laws); and
- (iii) Preserve and maintain all material rights, privileges, licenses, franchises, permits or other approvals necessary for Seller to conduct its business and to perform its obligations under the Facility Documents, and shall conduct its business strictly in accordance with applicable material law.

(b) Taxes. Seller and its Subsidiaries shall timely file all tax returns that are required to be filed by it and shall timely pay all Taxes due, except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided.

(c) Notice of Proceedings or Adverse Change. Seller shall give notice to Buyer promptly after a Responsible Officer of Seller has any knowledge of:

- (i) the occurrence of any Default or Event of Default;
- (ii) any default or event of default under any Indebtedness of Seller;
- (iii) any litigation or proceeding that is pending or threatened in writing against (a) Seller in which the amount involved exceeds [\*\*\*] (other than such actions arising under normal due course, including foreclosure actions), and is not covered by insurance, in which injunctive or similar relief is sought, or which would reasonably be expected to have a Material Adverse Effect and (b) any litigation or proceeding that is pending or threatened in writing in connection with any of the Repurchase Assets, which would reasonably be expected to have a Material Adverse Effect;

(iv) as soon as reasonably possible, notice of any of the following events:

(A) a material change in the insurance coverage of Seller, with a copy of evidence of same attached;

(B) any material change in accounting policies or financial reporting practices of Seller;

(C) [reserved];

(D) promptly upon receipt of notice or knowledge of any Lien or security interest (other than security interests created hereby or under any other Facility Document) on, or claim asserted against, any of the Repurchase Assets;

(E) as soon as practicable, but, in any case, no more than [\*\*\*], after Seller has obtained knowledge of any fact that is reasonably likely to result in any reduction of Asset Value with respect to a Purchased Asset, notice identifying the Purchased Asset with respect to which such reduction of Asset Value exists and detailing the cause of such reduction of Asset Value; or

(F) any other event, circumstance or condition that has resulted or could reasonably be expected to result in a Material Adverse Effect;

(v) Promptly, but no later than [\*\*\*] after Seller receives any of the same, deliver to Buyer a true, complete, and correct copy of any schedule, report, notice, or any other document delivered to Seller by any Person which is reasonably likely to have an adverse effect on the Asset Value of any of the Repurchase Assets;

(vi) Promptly, but no later than [\*\*\*] after Seller receives notice of the same, any Purchased Asset submitted to a Take-out Investor (whole loan or securitization) and rejected for purchase by such Take-out Investor; and

(vii) Promptly, but no later than [\*\*\*] after Seller receives knowledge or notice that any of the following fails to be true and correct: Servicer has adequate financial standing, servicing facilities, procedures and experienced personnel necessary for the sound servicing and subservicing of mortgage loans of the same types as may from time to time constitute Purchased Assets and in accordance with Accepted Servicing Practices.

(d) Reporting. Seller shall maintain a system of accounting established and administered in accordance with GAAP, and Seller shall (or shall cause Servicer on its behalf) furnish to Buyer:

(i) Within [\*\*\*] after the [\*\*\*] of each of the first three (3) fiscal quarters of each fiscal year of Seller, Seller's unaudited balance sheet, income statement, each as of the end of such fiscal quarter and in each case presented fairly in accordance with GAAP at the following e-mail: [\*\*\*];

(ii) Within [\*\*\*] after the [\*\*\*] of its fiscal year, commencing with the 2019 fiscal year, Seller's unaudited balance sheet, presented fairly in accordance with GAAP at the following e-mail: [\*\*\*];

(iii) Within [\*\*\*] after the [\*\*\*] of its fiscal year, commencing with the 2019 fiscal year, Seller's Financial Statements for such fiscal year, presented fairly in accordance with GAAP, and accompanied, in all cases, by an unqualified report of nationally recognized independent certified public accountants approved by Buyer (which approval shall not be unreasonably withheld) at the following e-mail: [\*\*\*];

(iv) (A) Simultaneously with the furnishing of each of the financial statements to be delivered pursuant to subsection (i)-(ii) above, or monthly upon Buyer's request, a certificate in form and substance acceptable to Buyer in its sole discretion, and certified by an executive officer of Seller, and (B) quarterly, or simultaneously with the financial statements to be delivered pursuant to subsection (i) above, an officer's certificate of covenant compliance in the form of Exhibit A to the Pricing Side Letter to the attention of Buyer at: [\*\*\*] certifying that (x) the related unaudited balance sheets are true and correct and (y) setting forth any Indebtedness of the Seller other than Indebtedness under this Agreement;

(v) Within [\*\*\*] after the end of each Collection Period, a monthly report of Seller setting forth any litigation, investigation, regulatory action or proceeding that is pending or threatened in writing by or against Seller in any federal or state court or before any Governmental Authority which would reasonably be expected to have a Material Adverse Effect or constitute a Default or Event of Default, in form and substance acceptable to Buyer;

(vi) Within [\*\*\*] after the end of each calendar month, a monthly hedging report prepared by Compass Analytics covering Seller's hedging related to the Purchased Assets, in form and substance acceptable to the Buyer;

(vii) [\*\*\*] after the end of each Collection Period, a monthly remittance report of Servicer, in form and substance acceptable to the Buyer;

(viii) Within [\*\*\*] after any material amendment, modification or supplement has been entered into with respect to the Servicing Agreement, a fully executed copy thereof;

(ix) Any other material agreements, correspondence, documents or other information which have not previously been disclosed to Buyer, which is related to Seller or the Purchased Assets and that, in the reasonable judgment of Seller, a lender, acting prudently, would deem to be important or material, as soon as possible after the discovery thereof by Seller; and

(x) Promptly, from time to time, such other information regarding the business affairs, operations and financial condition of Seller and its Subsidiaries as Buyer may reasonably request.

(e) Visitation and Inspection Rights. Seller shall permit Buyer to inspect, and to discuss with Seller's officers, agents and auditors, the affairs, finances, and accounts of Seller, the Repurchase Assets, and Seller's books and records, and to make abstracts or reproductions thereof and to duplicate, reduce to hard copy or otherwise use any and all computer or electronically stored information or data, in each case, (i) during normal business hours, (ii) upon reasonable notice (provided, that upon the occurrence of an Event of Default, no notice shall be required), and (iii) at the expense of Seller to discuss with its officers, its affairs, finances, and accounts.

(f) Reimbursement of Expenses. On the date of execution of this Agreement, Seller shall reimburse Buyer for all expenses (including reasonable legal fees subject to Section 16(b)) incurred by Buyer on or prior to such date. From and after such date, Seller shall promptly reimburse Buyer for all expenses as the same are incurred by Buyer and within [\*\*\*] of the receipt of invoices therefor.

(g) Further Assurances. Seller shall execute and deliver to Buyer all further documents, financing statements, agreements and instruments, and take all further action that may be required under applicable law, or that Buyer may reasonably request, in order to effectuate the transactions contemplated by this Agreement and the Facility Documents or, without limiting any of the foregoing, to grant, preserve, protect and perfect the validity and first-priority of the security interests created or intended to be created hereby. Seller shall do all things necessary to preserve the Repurchase Assets so that they remain subject to a first priority perfected security interest hereunder. Without limiting the foregoing, Seller will comply with all material rules, regulations, and other laws of any Governmental Authority and use commercially reasonable efforts to cause the Repurchase Assets to comply with all applicable material rules, regulations and other laws. Seller will not allow any default for which Seller is responsible to occur under any Repurchase Assets or any Facility Document and Seller shall fully perform or cause to be performed when due all of its obligations under any Repurchase Assets or the Facility Documents.

(h) True and Correct Information. All information, reports, exhibits, schedules, financial statements or certificates of Seller or any of its Affiliates thereof or any of their officers furnished to Buyer hereunder and during Buyer's diligence of Seller are and will be as of the date furnished, true and complete and will not omit to disclose any material facts necessary to make the statements therein or therein, in light of the circumstances in which they are made, not misleading. All required financial statements, information and reports delivered by Seller to Buyer pursuant to this Agreement shall be prepared in accordance with GAAP, or in connection with SEC filings, if any, the appropriate SEC accounting requirements.

(i) ERISA Events.

(i) Promptly upon becoming aware of the occurrence of any Event of ERISA Termination which together with all other Events of ERISA Termination occurring within the prior [\*\*\*] involve a payment of money by or a potential aggregate liability of Seller or any ERISA Affiliate thereof or any combination of such entities in excess of [\*\*\*] Seller shall give Buyer a written notice specifying the nature thereof, what action Seller or any ERISA Affiliate thereof has taken and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto.

(ii) Promptly upon receipt thereof, Seller shall furnish to Buyer copies of (i) all notices received by Seller or any ERISA Affiliate thereof of the PBGC's intent to terminate any Plan or to have a trustee appointed to administer any Plan; (ii) all notices received by Seller or any ERISA Affiliate thereof from the sponsor of a Multiemployer Plan pursuant to Section 4202 of ERISA involving a withdrawal liability in excess of [\*\*\*]; and (iii) all funding waiver requests filed by Seller or any ERISA Affiliate thereof with the Internal Revenue Service with respect to any Plan, the accrued benefits of which exceed the present value of the plan assets as of the date the waiver request is filed by more than [\*\*\*], and all communications received by Seller or any ERISA Affiliate thereof from the Internal Revenue Service with respect to any such funding waiver request.

(j) Financial Condition Covenants. Seller shall comply with the Financial Covenants set forth in Section 3 of the Pricing Side Letter.

(k) No Adverse Selection. Seller shall not select Eligible Mortgage Loans to be sold to Buyer as Purchased Assets using any type of adverse selection or other selection criteria which would adversely affect Buyer.

(l) Insurance. Seller shall cause Finance of America Holdings LLC to continue to maintain Fidelity Insurance in an aggregate amount at least equal to [\*\*\*]. Seller shall cause Finance of America Holdings LLC to maintain Fidelity Insurance in respect of its officers, employees and agents, with respect to any claims made in connection with all or any portion of the Repurchase Assets, including without limitation in respect of Seller acting in the capacity of Servicer of the Purchased Assets. Seller shall notify Buyer of any material change in the terms of any such Fidelity Insurance.

(m) Books and Records. Seller shall, to the extent practicable, maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Repurchase Assets in the event of the destruction of the originals thereof), and keep and maintain or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all Repurchase Assets and Eligible Mortgage Loans.

(n) Illegal Activities. Seller shall not engage in any conduct or activity that could subject its assets to forfeiture or seizure.

(o) Material Change in Business. Seller shall maintain its primary business as a mortgage loan originator and servicer.

(p) Limitation on Dividends and Distributions. Following the occurrence and during the continuation of an Event of Default or if an Event of Default would result therefrom, Seller shall not make any payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any equity interest of Seller, whether now or hereafter outstanding, or make any other distribution or dividend in respect of any of the foregoing or to any shareholder or equity owner of Seller, either directly or indirectly, whether in cash or property or in obligations of Seller or any of Seller's consolidated Subsidiaries.

(q) Disposition of Assets; Liens. Seller shall not cause any of the Repurchase Assets to be sold, pledged, assigned or transferred, other than in accordance with this Agreement; nor shall Seller create, incur, assume or suffer to exist any mortgage, pledge, Lien, charge or other encumbrance of any nature whatsoever on any of the Repurchase Assets, whether real, personal or mixed, now or hereafter owned, other than Liens in favor of Buyer.

(r) Transactions with Affiliates. Seller shall not enter into any transaction, including, without limitation, the purchase, sale, lease or exchange of property or assets or the rendering or accepting of any service with Seller or any Affiliate, unless such transaction is (a) not otherwise prohibited in this Agreement, (b) in the ordinary course of Seller's business and (c) upon fair and reasonable terms no less favorable to Seller, as the case may be, than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate.

(s) ERISA Matters.

(i) Seller shall not permit any event or condition which is described in any of clauses (i) through (viii) of the definition of "Event of ERISA Termination" to occur or exist with respect to any Plan or Multiemployer Plan if such event or condition, together with all other events or conditions described in the definition of Event of ERISA Termination occurring within the prior [\*\*\*], involves the payment of money by or an incurrence of liability of Seller or any ERISA Affiliate thereof, or any combination of such entities in an amount in excess of [\*\*\*].

(ii) Seller shall not be an employee benefit plan as defined in Section 3 of Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code and Seller shall not use "plan assets" within the meaning of 29 CFR §2510.3-101, as modified by Section 3(42) of ERISA, to engage in this Agreement or the Transactions hereunder and transactions by or with Seller are not subject to any state or local statute regulating investments of, or fiduciary obligations with respect to governmental plans within the meaning of Section 3(32) of ERISA.

(t) Consolidations, Mergers and Sales of Assets. Seller shall not (i) consolidate or merge with or into any other Person if Seller is not the surviving entity of such consolidation or merger or (ii) sell, lease or otherwise transfer all or substantially all of its assets to any other Person.

(u) Facility Documents. Seller shall not permit the amendment or modification of, the waiver of any event of default under, or the termination of any Facility Document without Buyer's prior written consent. Seller shall not waive (or direct the waiver of) the performance by any party to any Facility Document of any action, if the failure to perform such action would adversely affect Seller, any Purchased Assets or any Repurchase Assets in any material respect, nor has Seller waived (or has directed the waiver of) any default resulting from any action or inaction by any party.

(v) Information. If Buyer shall reasonably request, specifying the reasons for such request, reasonable information, and/or written responses to such requests, regarding the financial well-being of Seller (including, but not limited to, any information regarding any repurchase and indemnity requests or demands made upon Seller or any of its Subsidiaries by any third-party investors), Seller shall provide to Buyer such reasonable information and/or responses within [\*\*\*] of such request.

(w) Guaranty. The Seller hereby agrees that if any guaranty provided by Finance of America Holdings LLC (Seller Parent) for the benefit of the related financing counterparty in connection with a senior secured mortgage loan facility of the Seller remains in effect as of December 31, 2019, then within[\*\*\*] following December 31, 2019 (or within such longer period of time as may be agreed to by Buyer in writing) the Seller cause Seller Parent to (i) execute and deliver to Buyer a guaranty from the Seller Parent that is in form and substance acceptable to Buyer, (ii) enter into an amendment with Buyer to this Agreement to incorporate such revisions related to such guaranty as agreed to by Buyer and Seller and (iii) deliver to Buyer (A) a general corporate and enforceability opinion or opinions of outside counsel to Seller Parent (provided that the general corporate opinion may be given by in-house counsel to Seller Parent), including an Investment Company Act opinion; and (B) if requested by Buyer in writing, a Bankruptcy Code opinion of outside counsel to Seller Parent with respect to the matters outlined in such guaranty, each of which shall be in a form acceptable to Buyer in its sole discretion, in each case under this paragraph at Buyer's expense.

(x) Underwriting Guidelines. Seller shall promptly provide Buyer with a copy of any amendments or modifications to any FAM Underwriting Guidelines (together with a redline comparison showing the applicable revisions from the most recently delivered version of such FAM Underwriting Guidelines) and, if Buyer does not approve such modified FAM Underwriting Guidelines, Buyer shall not be required to enter into any Transaction with respect to Mortgage Loans originated in accordance with such modified FAM Underwriting Guidelines.

(y) Reserved.

(z) Hedge Agreements. Seller shall implement hedging strategies consistent with Seller's hedging policy with respect to the Purchased Assets.

(aa) Investment Company Act. Neither Seller nor any of its Subsidiaries shall be required to be registered as an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(bb) No Division/Series Transactions. Notwithstanding anything to the contrary contained in this Agreement or any other Facility Document, (i) if Seller is a limited liability company organized under the laws of the State of Delaware Seller shall not enter into (or agree to enter into) any Division/Series Transaction, or permit any of its Subsidiaries to enter into (or agree to enter into), any Division/Series Transaction and (ii) none of the provisions in this Agreement nor any other Facility Document, shall be deemed to permit Seller or any of its Subsidiaries to enter into (or agree to enter into) any Division/Series Transaction.

(cc) Agency Matters. Seller shall maintain all Agency Approvals. Should Seller, for any reason, cease to possess all such applicable Agency Approvals to the extent necessary, or should notification to the relevant Agency, FHA or VA be required, Seller shall so notify Buyer immediately in writing. Notwithstanding the preceding sentence, Seller shall take all necessary action to maintain all of its applicable Agency Approvals at all times during the term of this Agreement and each outstanding Transaction.

Section 14. Events Of Default. If any of the following events (each an “Event of Default”) occurs, Buyer shall have the rights set forth in Section 15, as applicable:

(a) Payment Default. (i) Seller fails to make any payment of Margin Deficit or Repurchase Price (other than Price Differential), when due, whether by acceleration, mandatory repurchase (including following the occurrence of a Purchased Asset Issue) or otherwise, (ii) Seller fails to make any payment of Price Differential, when due, whether by acceleration, mandatory repurchase or otherwise, or (iii) Seller fails to make any payment (other than Repurchase Price, Price Differential or Margin Deficit), when due, whether by acceleration, mandatory repurchase or otherwise, and such failure continues for more than [\*\*\*] after knowledge by or notice to Seller; or

(b) Immediate Representation and Warranty Default. The failure of Seller to perform, comply with or observe any representation, warranty or certification applicable to Seller contained in any of Sections 12(c) (Solvency); (f)(a) (Existence); (h) (No Breach); (i) (Action); (k) (Enforceability); (l) (Agency Matters); (q) (Margin Regulations); (s) (Investment Company Act); (t) (Purchased Assets); (x) (ERISA); (z) (No Reliance); (aa) (Plan Assets); or (cc) (No Prohibited Persons), in each case, of this Agreement; or

(c) Additional Representation and Warranty Defaults. Any representation, warranty or certification made or deemed made herein or in any other Facility Document (and not identified by clause (b) of this Section 14) by Seller or any certificate furnished to Buyer pursuant to the provisions hereof or thereof or any information with respect to the Purchased Assets furnished in writing by or on behalf of Seller shall be determined by Buyer to have been untrue or misleading in any material respect as of the time made or furnished (other than the representations and warranties set forth in Schedule 1; unless (A) Seller shall have made any such representations and warranties with actual knowledge that they were materially false or misleading at the time made or (B) any such representations and warranties have been determined in good faith by Buyer in its sole discretion to be materially false or misleading on a regular basis) and, if such default shall be capable of being remedied as determined by Buyer, such failure shall continue unremedied for more than [\*\*\*]; provided that in the case any representation, warranty or certification made or deemed made in Section 12(w) (True and Complete Disclosure) of this Agreement, a default shall be deemed not capable of being remedied to the extent that (i) the related information was given or withheld with knowledge by Seller, that it was materially false or misleading, (ii) such material information that was materially false or misleading or was delivered or withheld on a regular basis, or (iii) Buyer, in its reasonable discretion, determines that Buyer has relied on such material information or that such information or the failure to provide such information otherwise materially and adversely affects Buyer’s determination to enter into this Agreement or Transactions with Seller; or

(d) Immediate Covenant Default. The failure of Seller to perform, comply with or observe any term, covenant or agreement applicable to Seller contained in any of Sections 13(a)(i) or (ii) (Preservation of Existence; Compliance with Law); (j) (Financial Condition Covenants); (k) (No Adverse Selection); (n) (Illegal Activities); (o) (Material Change in Business); (p) (Limitation on Dividends and Distributions); (q) (Disposition of Assets; Liens); (r) (Transactions with Affiliates); (s) (ERISA Matters); (t) (Consolidations, Mergers and Sales of Assets); or (cc) Agency Matters; or

(e) Additional Covenant Defaults. Seller shall fail to observe or perform any other covenant or agreement contained in the Facility Documents (and not identified in clause (d) of Section 14), and if such default shall be capable of being remedied, such failure to observe or perform shall continue unremedied beyond [\*\*\*]; provided that in the case any covenant or agreement of Seller contained in Section 13(h) (True and Correct Information) of this Agreement, a default shall be deemed not capable of being remedied to the extent that (i) the related information was given or withheld with knowledge by Seller, that it was materially false or misleading, (ii) such material information that was materially false or misleading or was delivered or withheld on a regular basis, or (iii) Buyer, in its reasonable discretion, determines that Buyer has relied on such information or that such material information or the failure to provide such information otherwise materially and adversely affects Buyer's determination to enter into this Agreement or Transactions with Seller; or

(f) Judgments. A judgment or judgments for the payment of money in excess of [\*\*\*] in the aggregate shall be rendered against Seller, by one or more courts, administrative tribunals or other bodies having jurisdiction and the same shall not be satisfied, discharged (or provision shall not be made for such discharge) or bonded, or a stay of execution thereof shall not be procured, within [\*\*\*] from the date of entry thereof, and such party shall not, within said period of [\*\*\*], or such longer period during which execution of the same shall have been stayed or bonded, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(g) Cross-Default. Seller shall be in default beyond any applicable grace period (A) under any Indebtedness, financing, hedging, security or other agreement or contract of Seller with a counterparty other than Buyer or an Affiliate of Buyer, in excess of [\*\*\*] which default (i) involves the failure to pay a material matured obligation or (ii) permits the acceleration of the maturity of obligations by any other party to or beneficiary with respect to such agreement or Indebtedness, or (B) in making any payment when due under, or performing any other obligation under, any other Indebtedness, financing, hedging, security or other agreement or contract between Seller on the one hand, and the Buyer or any of its Affiliates on the other; or

(h) Insolvency Event. An Insolvency Event shall have occurred with respect to Seller; or

(i) Enforceability. For any reason any Facility Document at any time shall not be in full force and effect in all material respects or shall not be enforceable in all material respects in accordance with its terms, or any Person (other than Buyer) shall contest the validity, enforceability, perfection or priority of any Lien granted pursuant thereto, or any party thereto (other than Buyer) shall seek to disaffirm, terminate, limit or reduce its obligations under any Facility Document; or

(j) Liens. Seller shall grant, or suffer to exist, any Lien on any Repurchase Asset (except any Lien in favor of Buyer) or Buyer for any reason ceases to have a valid, first priority security interest in any of the Repurchase Assets and in either case Seller fails to repurchase the related Purchased Assets within [\*\*\*] of notice from Buyer or knowledge thereof; or

(k) Material Adverse Effect. A Material Adverse Effect shall have occurred as determined by Buyer in its reasonable discretion, and shall remain uncured for [\*\*\*] after written notice by Buyer to Seller of the existence of such Material Adverse Effect; or

(l) Change in Control. A Change in Control shall have occurred without the Buyer's prior written consent; or

(m) Inability to Perform. An Authorized Representative of Seller shall admit its inability to, or its intention not to, perform any of its obligations under the Facility Documents; or

(n) Servicer Termination. A Servicer Termination Event shall have occurred, and Seller fails to appoint and transfer the subservicing of the related Purchased Assets to a successor Servicer that is satisfactory to Buyer in Buyer's good faith discretion within [\*\*\*] of Seller's notice or knowledge of such Servicer Termination Event; or

(o) Failure to Transfer. Seller fails to transfer the Purchased Assets to Buyer on or prior to the applicable Purchase Date (provided that Buyer has tendered the related Purchase Price); or

(p) Government Action. Any Governmental Authority or any person, agency or entity acting or purporting to act under Governmental Authority shall have received any judicial or administrative order permitting such Governmental Authority to take any action that is reasonably likely to result in a condemnation, seizure or appropriation, or assumption of custody or control of, all or any substantial part of the Property of Seller, or shall have taken any action to displace the management of Seller or to curtail its authority in the conduct of the business of Seller, or takes any action in the nature of enforcement to remove, limit or restrict the approval of Seller as an issuer, buyer or a seller of Mortgage Loans or securities backed thereby, and such action shall not have been discontinued or stayed within [\*\*\*]; or

(q) Assignment. Assignment or attempted assignment by Seller of this Agreement or any other Facility Document or any rights hereunder or thereunder without first obtaining the specific written consent of Buyer.

#### Section 15. Remedies.

(a) If an Event of Default occurs, the following rights and remedies are available to Buyer: provided, that an Event of Default shall be deemed to be continuing unless expressly waived by Buyer in writing (whereupon such Event of Default shall be deemed to be not continuing):

(i) At the option of Buyer, exercised by written notice to Seller (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Insolvency Event of Seller), the Repurchase Date for each Transaction hereunder, if it has not already occurred, shall be deemed immediately to occur (the date on which such option is exercised or deemed to have been exercised being referred to hereinafter as the "Accelerated Repurchase Date").

(ii) If Buyer exercises or is deemed to have exercised the option referred to in subsection (a)(i) of this Section,

(A) Seller's obligations in such Transactions to repurchase all Purchased Assets, at the Repurchase Price therefor on the Repurchase Date determined in accordance with subsection (a)(i) of this Section, (1) shall thereupon become immediately due and payable, (2) all Income paid after such exercise or deemed exercise shall be retained by Buyer and applied to the aggregate outstanding Repurchase Price and any other amounts owed by Seller hereunder, and (3) Seller shall immediately deliver to Buyer any Purchased Assets subject to such Transactions then in Seller's possession or control; and

(B) to the extent permitted by applicable law, the Repurchase Price with respect to each such Transaction (determined as of the Accelerated Repurchase Date) shall be increased by the aggregate amount obtained by daily application of, on a 360 day per year basis for the actual number of days during the period from and including the date of the exercise or deemed exercise of such option to but excluding the date of payment of the Repurchase Price as so increased, (x) the Post-Default Rate in effect following an Event of Default to (y) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to subsection (a)(i) of this Section.

(iii) Upon the occurrence and continuance of one or more Events of Default, Buyer shall have the right to obtain physical possession of all files of Seller relating to the Purchased Assets and all documents relating to the Purchased Assets related thereto which are then or may thereafter come in to the possession of Seller or any third party acting for Seller and Seller shall deliver to Buyer such assignments as Buyer shall request. Buyer shall be entitled to specific performance of all agreements of Seller contained in Facility Documents.

(iv) Upon the occurrence and continuance of an Event of Default, Buyer, or Buyer through its Affiliates or designees, may (A) immediately sell, at a public or private sale at such price or prices as Buyer may reasonably deem satisfactory any or all of the Purchased Assets or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Assets, to retain such Purchased Assets and give Seller credit for such Purchased Assets in an amount equal to the Market Value of such Purchased Assets (as determined and adjusted by the Buyer in its sole discretion, giving such weight to the Market Value or outstanding principal balance of such Purchased Asset as Buyer deems appropriate) against the aggregate outstanding Repurchase Price for such Purchased Assets and any other amounts owing by Seller under the Facility Documents. The proceeds of any disposition of Purchased Assets effected pursuant to the foregoing shall be applied as determined by Buyer until all Obligations are paid in full, and Buyer shall pay any remainder to Seller.

(v) Seller shall be liable to Buyer for (A) the amount of all actual expenses, including reasonable documented reasonable legal fees and expenses, actually incurred by Buyer in connection with or as a consequence of an Event of Default, (B) all actual costs incurred in connection with covering transactions or hedging transactions, and (C) any other actual loss, damage, cost or expense arising or resulting from the occurrence of an Event of Default.

(vi) Promptly upon Buyer's request, Seller shall provide, at Seller's cost, an updated Appraisal for each Purchased Asset.

(b) The Seller acknowledges and agrees that (A) in the absence of a generally recognized source for prices or bid or offer quotations for any Purchased Assets and Repurchase Assets, the Buyer may establish the source therefor in its sole discretion and (B) all prices, bids and offers shall be determined together with accrued Income. The Seller recognizes that it may not be possible to purchase or sell all of the Purchased Assets and Repurchase Assets on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for such Purchased Assets and Repurchase Assets may not be liquid at such time. In view of the nature of the Purchased Assets and Repurchase Assets, the Seller agrees that liquidation of a Transaction or the Purchased Assets and Repurchase Assets does not require a public purchase or sale and that a good faith private purchase or sale shall be deemed to have been made in a commercially reasonable manner. Accordingly, Buyer may elect, in its sole good faith discretion, the time and manner of liquidating any Purchased Assets and Repurchase Assets, and nothing contained herein shall (A) obligate Buyer to liquidate any Purchased Assets and Repurchase Assets on the occurrence and during the continuance of an Event of Default or to liquidate all of the Purchased Assets and Repurchase Assets in the same manner or on the same Business Day or (B) constitute a waiver of any right or remedy of Buyer. Buyer may exercise one or more of the remedies available hereunder immediately upon the occurrence of an Event of Default and at any time thereafter without notice to Seller. All rights and remedies arising under this Agreement as amended from time to time hereunder are cumulative and not exclusive of any other rights or remedies which Buyer may have.

(c) Buyer may enforce its rights and remedies hereunder without prior judicial process or hearing, and Seller hereby expressly waives any defenses Seller might otherwise have to require Buyer to enforce its rights by judicial process. Seller also waives any defense (other than a defense of payment or performance) Seller might otherwise have arising from the use of nonjudicial process, enforcement and sale of all or any portion of the Repurchase Assets, or from any other election of remedies. Seller recognizes that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's length.

(d) Without limiting the rights of Buyer hereto to pursue all other legal and equitable rights available to Buyer for Seller's failure to perform its obligations under this Agreement, Seller acknowledges and agrees that the remedy at law for any failure to perform obligations hereunder would be inadequate and Buyer shall be entitled to specific performance, injunctive relief, or other equitable remedies in the event of any such failure. The availability of these remedies shall not prohibit Buyer from pursuing any other remedies for such breach, including the recovery of monetary damages.

(e) Buyer shall have, in addition to its rights and remedies under the Facility Documents, all of the rights and remedies provided by applicable federal, state, foreign, and local laws (including, without limitation, if the Transactions are recharacterized as secured financings, the rights and remedies of a secured party under the UCC of the State of New York, to the extent that the UCC is applicable, and the right to offset any mutual debt and claim), in equity, and under any other agreement between Buyer and Seller. Without limiting the generality of the foregoing, Buyer shall be entitled to set off the proceeds of the liquidation of the Purchased Assets and Repurchase Assets against all of Seller's obligations to Buyer, whether or not such obligations are then due, without prejudice to Buyer's right to recover any deficiency.

Section 16. Indemnification and Expenses.

(a) Seller agrees to hold Buyer, and its Affiliates and their officers, directors, employees, agents and advisors (each an Indemnified Party) harmless from and indemnify any Indemnified Party against all liabilities, losses, damages, judgments, costs and expenses of any kind (including reasonable fees of counsel, and Taxes relating to or arising in connection with the ownership of the Purchased Assets, but excluding any Taxes otherwise addressed in Section 7 of this Agreement) which may be imposed on, incurred by or asserted against such Indemnified Party (collectively, "Costs"), relating to or arising out of this Agreement, any other Facility Document or any transaction contemplated hereby or thereby, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, any other Facility Document or any transaction contemplated hereby or thereby (including, without limitation, any wire fraud or data or systems intrusions), that, in each case, results from anything other than the Indemnified Party's gross negligence or willful misconduct. For the avoidance of doubt "Costs" shall include Taxes that represent losses, damages, claims, costs and expenses arising from any non-Tax claim. Without limiting the generality of the foregoing, Seller agrees to hold any Indemnified Party harmless from and indemnify such Indemnified Party against all Costs with respect to all Purchased Assets, that, in each case, results from anything other than the Indemnified Party's gross negligence or willful misconduct. In any suit, proceeding or action brought by an Indemnified Party in connection with any Purchased Assets for any sum owing thereunder, or to enforce any provisions of any Purchased Assets, Seller will save, indemnify and hold such Indemnified Party harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from Seller. Seller also agrees to reimburse an Indemnified Party as and when billed by such Indemnified Party for all the Indemnified Party's costs and expenses incurred in connection with the enforcement or the preservation of Buyer's rights under this Agreement, any other Facility Document or any transaction contemplated hereby or thereby, including without limitation the reasonable fees and disbursements of its counsel. Without limiting the generality of the foregoing, Seller shall reimburse Buyer for the amount of any Charges and/or Returned Items (as each such term is defined in the Collection Account Control Agreement) paid by Buyer to Collection Account Bank pursuant to Section 6 of the Collection Account Control Agreement (including without limitation following the termination of the Collection Account Control Agreement to the extent provided for in Section 6 of the Collection Account Control Agreement).

(b) Seller agrees to pay as and when billed by Buyer all of the out-of-pocket costs and expenses incurred by Buyer (including reasonable legal fees) in connection with the development, preparation and execution of this Agreement, any other Facility Document or any other documents prepared in connection herewith or therewith. Seller agrees to pay as and when billed by Buyer all of the costs and expenses incurred in connection with the consummation and administration of the transactions contemplated hereby and thereby including without limitation filing fees and all the fees, disbursements and expenses of counsel to Buyer which amount shall be deducted from the Purchase Price paid for the first Transaction hereunder; provided that Seller shall not be required to pay such costs and expenses incurred prior to the Closing Date that are in excess of the Legal Expense Cap; provided further that the Legal Expense Cap shall not apply if any extensive delays, unreasonable negotiations, unanticipated issues or structural changes occur during such development, preparation or execution. Seller agrees to pay as and when billed by Buyer all of the out-of-pocket costs and expenses incurred by Buyer (including reasonable legal fees) in connection with the development, preparation and execution of any amendment, supplement or modification to this Agreement, any other Facility Document or any other document prepared in connection thereto. Subject to the limitations set forth in Section 30 hereof, Seller agrees to pay Buyer all the due diligence, inspection, testing and review costs and expenses incurred by Buyer with respect to Mortgage Loans submitted by Seller for purchase under this Agreement, including, but not limited to, those out-of-pocket costs and expenses incurred by Buyer pursuant to Sections 16(b) and 19 hereof and the reasonable fees and expenses of the Collection Account Bank.

(c) The obligations of Seller from time to time to pay the Repurchase Price, the Price Differential, and all other amounts due under this Agreement shall be full recourse obligations of Seller.

#### Section 17. Servicing.

(a) Seller, on Buyer's behalf, shall contract with one or more Servicers to service and/or subservice the Mortgage Loans consistent with the degree of skill and care that such Servicers customarily require with respect to similar Mortgage Loans owned or managed by such Servicers and in accordance with Accepted Servicing Practices. Without limiting the generality of the foregoing, Seller as Servicer shall service the Purchased Assets during the related Interim Servicing Period in accordance with this Agreement, including the Servicing Annex for the benefit of Buyer. The Servicer shall (i) comply with all applicable Federal, State and local laws and regulations, (ii) maintain all state and federal licenses necessary for it to perform its servicing and/or subservicing responsibilities hereunder, (iii) be an approved servicer by Fannie Mae and Freddie Mac, in each case in good standing and (iv) not impair the rights of Buyer in any Mortgage Loans or any payment thereunder. Buyer may terminate the servicing and/or subservicing of any Mortgage Loan with the then existing servicer and/or subservicer in accordance with the related Servicer Notice. The Servicing Agreement shall not be materially amended without the written consent of Buyer, which may be granted or withheld in its sole discretion; provided that the Seller shall provide the Buyer with written notice of any amendment of the Servicing Agreement, including a copy of such amendment.

(b) Seller shall ensure that Servicer has adequate financial standing, servicing facilities, procedures and experienced personnel necessary for the sound servicing of mortgage loans of the same types as may from time to time constitute Mortgage Loans and in accordance with Accepted Servicing Practices.

(c) Seller shall cause the Servicer and any interim servicer to deposit all collections received by Seller on account of the Purchased Assets in the Collection Account in accordance with the provisions of Section 5(b); provided that in the case of Seller as Servicer, all collections (if any) received by Seller as Servicer on account of the Purchased Assets shall be deposited by Seller into the Nomura Account by no later than [\*\*\*] prior to the next occurring Remittance Date.

(d) As compensation for its services under the Servicing Agreement the Servicer shall be entitled to the Servicing Fee pursuant to the Servicing Agreement. The Seller shall be responsible to pay all the fees and expenses of the Servicer out of the Servicing Fee or its own funds.

(e) The Seller shall provide promptly to the Buyer a Servicer Notice addressed to and agreed to by the Servicer of the related Purchased Assets; provided that Seller shall not be required to provide a Servicer Notice with respect to Seller acting as Servicer.

(f) Upon the occurrence and during the continuance of an Event of Default, the Buyer shall have the right to immediately terminate the Servicer's rights to service the Purchased Assets under the Servicing Agreement in accordance with the related Servicer Notice (or this Agreement and the Servicing Annex in the case of Seller as Servicer, and if Buyer exercises such right all authority and power of such Servicer to service the Purchased Assets hereunder shall be immediately and automatically terminated). Seller and Servicer shall (x) cooperate in transferring the servicing and/or subservicing of the Purchased Assets to a successor servicer and/or subservicer selected by Buyer in its sole discretion and (y) in the case of Seller as Servicer, comply with the servicing transfer provisions set forth in paragraph (b)(ix) of the Servicing Annex in connection with such transfer of the servicing of the Purchased Assets. In the case of a Servicer other than Seller, if a Servicer Termination Event has occurred but an Event of Default has not yet occurred, the Seller shall select a successor servicer and/or subservicer within [\*\*\*] Days following the earlier of Seller's receipt of notice or knowledge of the occurrence of a Servicer Termination Event, subject to such successor servicer or subservicer being approved by Buyer in its sole discretion exercised in good faith.

(g) If Seller should discover that, for any reason whatsoever, any entity responsible to Seller by contract for managing, servicing or subservicing any such Mortgage Loan has failed to perform fully Seller's obligations under the Facility Documents or any of the obligations of such entities with respect to the Mortgage Loans, Seller shall promptly notify Buyer.

Section 18. Recording of Communications. Buyer and Seller shall have the right (but not the obligation) from time to time to make or cause to be made tape recordings of communications between its employees and those of the other party with respect to Transactions upon notice to the other party of such recording.

Section 19. Due Diligence. Seller acknowledges that Buyer has the right to perform continuing due diligence reviews with respect to the Mortgage Loans, Seller and Servicer, including, without limitation, financial information, organization documents, business plans, purchase agreements and underwriting purchase models for each pool of Mortgage Loans and such other information regarding such Persons or the Purchased Assets that Buyer may request and Seller, Servicer or such other Person shall have in their possession or control, for purposes of verifying compliance with the representations, warranties and specifications made hereunder, or otherwise, and Seller agrees that (a) upon reasonable prior notice to Seller, unless an Event of Default shall have occurred, in which case no notice is required, Buyer or its authorized representatives will be permitted during normal business hours to examine, inspect, and make copies and extracts of the Asset Files and any and all documents, records, agreements, instruments or information relating to such Mortgage Loans (the "Due Diligence Documents") in the possession or control of Seller and/or the Custodian, or (b) upon request, Seller shall create and deliver to Buyer within [\*\*\*] of such request, an electronic copy via email to [\*\*\*], in a format acceptable to Buyer, of such Due Diligence Documents as Buyer may request. Seller also shall make available to Buyer a knowledgeable financial or accounting officer for the purpose of answering questions respecting the Asset Files and the Mortgage Loans. Notwithstanding the foregoing, subject to review and approval of the Third Party Reviewer procedures, Buyer shall be entitled to rely upon a due diligence review prepared by a Third Party Reviewer with respect to Mortgage Loans that are Non-Agency Loans so long as (x) Buyer receives such due diligence review directly from such Third Party Reviewer and (y) such due diligence review was conducted within [\*\*\*] of the related Purchase Date, or such other time period as agreed between the Buyer and the Seller. Without limiting the generality of the foregoing, Seller acknowledges that Buyer may purchase Purchased Assets from Seller and enter into additional Transactions with respect to the Mortgage Loans based solely upon the information provided by Seller to Buyer in the Asset Schedule and the representations, warranties and covenants contained herein, and that Buyer, at its option, has the right at any time to conduct a partial or complete due diligence review on some or all of the Mortgage Loans purchased in a Transaction, including, without limitation, ordering broker's price opinions, new credit reports and new appraisals and/or AVMs on the related Mortgaged Properties with respect to the Mortgage Loans and otherwise re-generating the information used to originate such Mortgage Loan. Buyer may underwrite such Mortgage Loans itself or engage a mutually agreed upon third party underwriter to perform such underwriting. Seller agrees to cooperate with Buyer and the Third Party Reviewer and any third party underwriter in connection with such underwriting, including, but not limited to, providing Buyer and the Third Party Reviewer and any third party underwriter with access to any and all documents, records, agreements, instruments or information relating to such Mortgage Loans in the possession, or under the control, of Seller. Seller further agrees that Seller shall pay all out-of-pocket costs and expenses incurred by Buyer in connection with Buyer's activities pursuant to this Section 19; provided that such costs and expenses are in connection with such activities that are incremental to the due diligence review of the Mortgage Loans performed by Seller and described in the related due diligence materials delivered by Seller to Buyer (upon which Buyer may rely). Buyer may, based on such due diligence, require to change contractual terms and add protections it deems, in its absolute discretion, necessary to protect its rights in the Mortgage Loans.

Section 20. Assignability.

(a) The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by Seller without the prior written consent of Buyer. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. Nothing in this Agreement express or implied, shall give to any Person, other than the parties to this Agreement and their successors hereunder, any benefit of any legal or equitable right, power, remedy or claim under this Agreement. At no additional cost to Seller, Buyer may, upon at least [\*\*\*] notice to Seller, from time to time assign all or a portion of its rights and obligations under this Agreement and the Facility Documents to any Person pursuant to an executed assignment and acceptance by Buyer and assignee (“Assignment and Acceptance”), specifying the percentage or portion of such rights and obligations assigned. Upon such assignment, (a) such assignee shall be a party hereto and to each Facility Document to the extent of the percentage or portion set forth in the Assignment and Acceptance, and shall succeed to the applicable rights and obligations of Buyer hereunder, and (b) Buyer shall, to the extent that such rights and obligations have been so assigned by it be released from its obligations hereunder and under the Facility Documents. Unless otherwise stated in the Assignment and Acceptance, Seller shall continue to take directions solely from Buyer unless otherwise notified by Buyer in writing. Buyer may distribute to any prospective assignee any document or other information delivered to Buyer by Seller.

(b) At no additional cost to Seller, Buyer may sell participations to one or more Persons in or to all or a portion of its rights and obligations under this Agreement to any Person; provided, however, that (i) Buyer’s obligations under this Agreement shall remain unchanged, (ii) Buyer shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) Seller shall continue to deal solely and directly with Buyer in connection with Buyer’s rights and obligations under this Agreement and the other Facility Documents except as provided in Section 7; provided that no such restrictions shall apply with respect to any sale to any Affiliate of Buyer or if an Event of Default has occurred and is continuing; and provided further that Buyer shall act as agent for all purchasers, assignees and point of contact for Seller pursuant to agency provisions to be agreed upon by Buyer, its intended purchasers and/or assignees and Seller.

~~(c) Notwithstanding anything contained in Section 31 hereof to the contrary, Buyer may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 20, deliver a copy of this Agreement to the assignee or participant or proposed assignee or participant and disclose to the assignee or participant or proposed assignee or participant, as the case may be, any information relating to Seller or any of its Subsidiaries or to any aspect of the Transactions that has been furnished to Buyer by or on behalf of Seller or any of its Subsidiaries; provided that such assignee or participant agrees to hold such information subject to the confidentiality provisions of this Agreement.~~

(c) ~~(d)~~ In the event Buyer assigns all or a portion of its rights and obligations under this Agreement, the parties hereto agree to negotiate in good faith an amendment to this Agreement to add agency provisions similar to those included in repurchase agreements for similar syndicated repurchase facilities.

Section 21. Transfer and Maintenance of Register.

(a) Subject to acceptance and recording thereof pursuant to paragraph (b) of this Section 21, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of Buyer under this Agreement. Any assignment or transfer by Buyer of rights or obligations under this Agreement that does not comply with this Section 21 shall be treated for purposes of this Agreement as a sale by such Buyer of a participation in such rights and obligations in accordance with Section 21(b) hereof.

(b) Buyer, as agent for Seller, shall maintain a register (the "Register") on which it will record Buyer's rights hereunder, and each Assignment and Acceptance and participation. The Register shall include the names and addresses of Buyer (including all assignees, successors and participants) and the percentage or portion of such rights and obligations assigned or participated. Failure to make any such recordation, or any error in such recordation shall not affect Seller's obligations in respect of such rights. If Buyer sells a participation in its rights hereunder, it shall provide Seller, or maintain as agent of Seller, the information described in this paragraph and permit Seller to review such information as reasonably needed for Seller to comply with its obligations under this Agreement or under any applicable Requirement of Law.

Section 22. Tax Treatment. Each party to this Agreement acknowledges that it is its intent for purposes of U.S. federal, state and local income and franchise taxes, to treat each Transaction as indebtedness of Seller that is secured by the Purchased Assets and that the Purchased Assets are owned by Seller in the absence of a Default by Seller. All parties to this Agreement agree to such treatment and agree to take no action inconsistent with this treatment, unless required by law.

Section 23. Set-Off.

(a) In addition to any rights and remedies of Buyer hereunder and by law, Buyer shall have the right, without prior notice to Seller, any such notice being expressly waived by Seller to the extent permitted by applicable law to set-off and appropriate and apply against any obligation from Seller to Buyer or any of its Affiliates any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other obligation (including to return excess margin), credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by or due from Buyer or any Affiliate thereof to or for the credit or the account of Seller. Buyer agrees promptly to notify Seller after any such set-off and application made by Buyer; provided that the failure to give such notice shall not affect the validity of such set-off and application.

(b) Buyer shall at any time have the right, in each case until such time as Buyer determines otherwise, to retain, to suspend payment or performance of, or to decline to remit, any amount or property that Buyer would otherwise be obligated to pay, remit or deliver to Seller hereunder if an Event of Default has occurred.

Section 24. Terminability. Each representation and warranty made or deemed to be made by entering into a Transaction, herein or pursuant hereto shall survive the making of such representation and warranty, and Buyer shall not be deemed to have waived any Default that may arise because any such representation or warranty shall have proved to be false or misleading, notwithstanding that Buyer may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time the Transaction was made. The obligations of Seller under Section 16 hereof shall survive the termination of this Agreement.

Section 25. Notices And Other Communications. Except as otherwise expressly permitted by this Agreement, all notices, requests and other communications provided for herein (including without limitation any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including without limitation by telecopy) delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof or thereof; or, as to any party, at such other address as shall be designated by such party in a written notice to each other party. Except as otherwise provided in this Agreement and except for notices given under Section 3 (which shall be effective only on receipt), all such communications shall be deemed to have been duly given when transmitted by telecopy or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid. In all cases, to the extent that the related individual set forth in the respective "Attention" line is no longer employed by the respective Person, such notice may be given to the attention of a Responsible Officer of the respective Person or to the attention of such individual or individuals as subsequently notified in writing by a Responsible Officer of the respective Person.

Section 26. Entire Agreement; Severability; Single Agreement.

(a) This Agreement, together with the Facility Documents, constitute the entire understanding between Buyer and Seller with respect to the subject matter they cover and shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions involving Purchased Assets. By acceptance of this Agreement, Buyer and Seller acknowledge that they have not made, and are not relying upon, any statements, representations, promises or undertakings not contained in this Agreement. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

(b) Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and that each has been entered into in consideration of the other Transactions. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) [reserved]; (iii) that payments, deliveries, and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries, and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries, and other transfers may be applied against each other and netted and (iv) to promptly provide notice to the other after any such set off or application.

Section 27. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF, OTHER THAN SECTION 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH SHALL GOVERN.

Section 28. SUBMISSION TO JURISDICTION; WAIVERS. BUYER AND EACH OF THE SELLER EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND THE OTHER FACILITY DOCUMENTS, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO ITS ADDRESS SET FORTH UNDER ITS SIGNATURE BELOW OR AT SUCH OTHER ADDRESS OF WHICH BUYER SHALL HAVE BEEN NOTIFIED;

(d) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION; AND

(e) BUYER AND SELLER HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER FACILITY DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 29. No Waivers, etc. No failure on the part of Buyer to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Facility Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Facility Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. An Event of Default shall be deemed to be continuing unless expressly waived by Buyer in writing.

Section 30. Netting. If Buyer and Seller are “financial institutions” as now or hereinafter defined in Section 4402 of Title 12 of the United States Code (“Section 4402”) and any rules or regulations promulgated thereunder,

(a) All amounts to be paid or advanced by one party to or on behalf of the other under this Agreement or any Transaction hereunder shall be deemed to be "payment obligations" and all amounts to be received by or on behalf of one party from the other under this Agreement or any Transaction hereunder shall be deemed to be "payment entitlements" within the meaning of Section 4402, and this Agreement shall be deemed to be a "netting contract" as defined in Section 4402.

(b) The payment obligations and the payment entitlements of the parties hereto pursuant to this Agreement and any Transaction hereunder shall be netted as follows. In the event that either party (the "Defaulting Party") shall fail to honor any payment obligation under this Agreement or any Transaction hereunder, the other party (the "Nondefaulting Party") shall be entitled to reduce the amount of any payment to be made by the Nondefaulting Party to the Defaulting Party by the amount of the payment obligation that the Defaulting Party failed to honor.

#### Section 31. Confidentiality.

(a) Buyer and the Seller hereby acknowledge and agree that all written or computer-readable information provided by one party to any other regarding the terms set forth in any of the Facility Documents or the Transactions contemplated thereby or pursuant to the terms thereof, including, but not limited to, the name of, or identifying information with respect to Buyer, any pricing terms, or other nonpublic business or financial information (including, without limitation, any sub-limits and financial covenants), the existence of this Agreement and the Transactions with the Buyer (the "Confidential Information") shall be kept confidential and shall not be divulged to any party without the prior written consent of such other party except to the extent that (i) it is ~~necessary to disclose~~disclosed to its Affiliates, the Seller and its employees, directors, officers, advisors (including legal counsel, accountants, and auditors), representatives and ~~servicers who are under a duty or an obligation to hold~~service providers (the "Representatives") who have a reasonable need to receive such information ~~in confidence~~, (ii) it is requested or required by governmental agencies, regulatory bodies or other legal, governmental or regulatory process, in which case Seller shall provide prior written notice to Buyer to the extent not prohibited by the applicable law or regulation, (iii) any of the Confidential Information is in the public domain other than due to a breach of this covenant, (iv) an Event of a Default has occurred and Buyer determines such information to be necessary or desirable to disclose in connection with the marketing and sales of the Purchased Assets or otherwise to enforce or exercise Buyer's rights hereunder or (v) ~~it is~~Buyer reasonably determines that such information is necessary or desirable to disclose in connection with any ~~assignments, participations~~transaction or potential transaction involving any assignment, participation, potential assignment, potential participation or rehypothecations in accordance with Section 10 or Section 20 hereof or to any other financing source or provider to Buyer or any successor thereto (including any potential assignees or purchasers from such party) or to their respective Representatives; provided that in the case of clause (v) above, Buyer shall execute a confidentiality agreement with any such Person (other than a Representative) with restrictions on the disclosure of Confidential Information at least as onerous as set forth herein, prior to disclosure of any such Confidential Information. Seller and the Buyer shall be responsible for any breach of the terms of this Section 31(a) by any Person that it discloses Confidential Information to pursuant to clause (i) above. The Parties shall not, without the written consent of the other Party, make any communication, press release, public announcement or statement in any way connected to the existence or terms of this Agreement or

the other Facility Documents or the Transactions contemplated hereby or thereby, except where such communication or announcement is required by law or regulation, in which event the Parties will consult and cooperate with respect to the wording of any such announcement. Notwithstanding the foregoing or anything to the contrary contained herein or in any other Facility Document, the parties hereto may disclose to any and all Persons, without limitation of any kind, the federal, state and local tax treatment or tax structure of the Transactions, any fact relevant to understanding the federal, state and local tax treatment or tax structure of the Transactions, and all materials of any kind (including opinions or other tax analyses) relating to such federal, state and local tax treatment and that may be relevant to understanding such tax treatment or tax structure; provided that the "tax treatment or "tax structure" shall be limited to any facts relevant to the U.S. federal, state or local tax treatment of any Transaction contemplated hereunder and specifically does not include any information relating to the identity of the Buyer or any pricing terms hereunder. The provisions set forth in this Section 31(a) shall survive the termination of this Agreement for[\*\*\*].

(b) Notwithstanding anything in this Agreement to the contrary, Seller understands that Confidential Information disclosed hereunder may contain "nonpublic personal information", as that term is defined in Section 509(4) of the Gramm-Leach-Bliley Act (the "GLB Act"), and each of Buyer and Seller agrees to maintain such nonpublic personal information that it receives hereunder in accordance with the GLB Act and other applicable local, state and federal laws relating to privacy and data protection ("Privacy Laws"). The Seller shall implement administrative, technical and physical safeguards and other security measures to (a) ensure the security and confidentiality of the "nonpublic personal information" of the "customers" (as defined in the GLB Act) of Buyer or any Affiliate of Buyer which Buyer holds, (b) protect against any threats or hazards to the security and integrity of such nonpublic personal information, and (c) protect against any unauthorized access to or use of such nonpublic personal information. Upon request, the Seller will provide evidence reasonably satisfactory to allow Buyer to confirm that the Seller has satisfied its obligations as required under this Section. Without limitation, this may include Buyer's review of audits, summaries of test results, and other equivalent evaluations of the Seller. The Seller shall notify the Buyer immediately following discovery of any breach or compromise of the security, confidentiality, or integrity of nonpublic personal information of the customers and consumers of Buyer or any Affiliate of Buyer provided directly to the Seller. The Seller shall provide such notice to Buyer by personal delivery, by electronic transmission with confirmation of receipt, or by overnight courier with confirmation of receipt to the applicable requesting individual. The provisions set forth in this Section 32(b) shall survive the termination of this Agreement for as long as Seller retains any "nonpublic personal information" disclosed hereunder.

#### Section 32. Intent.

(a) The parties intend and recognize that this Agreement and each Transaction hereunder is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended, a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended, and a "master netting agreement" as that term is defined in Section 101(38A)(A) of the Bankruptcy Code, that all payments hereunder are deemed "margin payments" or "settlement payments" as defined in Title 11 of the United States Code, and that the pledge of the Repurchase Assets constitutes "a security agreement or other arrangement

or other credit enhancement” that is “related to” the Agreement and Transactions hereunder within the meaning of Sections 101(38A)(A), 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code. Seller and Buyer further recognize and intend that this Agreement is an agreement to provide financial accommodations and is not subject to assumption pursuant to Bankruptcy Code Section 365(a). Each Party further agrees that it shall not challenge, and hereby waives to the fullest extent available under applicable law its right to challenge, the characterization of any Transaction under this Agreement or this Agreement as a “repurchase agreement,” “securities contract” and/or “master netting agreement” within the meaning of the Bankruptcy Code.

(b) For so long as Buyer is a “financial institution,” “financial participant” or other entity listed in Sections 555, 559, 561, 362(b)(6), 362(b)(7) or 362(b)(27) of the Bankruptcy Code, Buyer shall be entitled to the “safe harbor” benefits and protections afforded under the Bankruptcy Code with respect to a “repurchase agreement”, a “securities contract” and a “master netting agreement” including (x) the rights, set forth in Section 15 and in Sections 555, 559 and 561 of the Bankruptcy Code, to liquidate the Purchased Assets and accelerate and terminate this Agreement, (y) the right to offset or net out as set forth in Sections 15 and 23 hereof and in Sections 362(b)(6), 362(b)(7) or 362(b)(27) of the Bankruptcy Code and (z) the non-avoidability of transfers made in connection with this Agreement as set forth in Sections 546(e), 546(f) and 546(j) of the Bankruptcy Code. Buyer’s rights (i) to liquidate the Repurchase Assets delivered to it in connection with the Transactions hereunder or to accelerate or terminate this Agreement or otherwise exercise any other remedies pursuant to Section 15 hereof and to setoff pursuant to Section 23 hereof are contractual rights to liquidate, accelerate, or terminate setoff such Transaction as described in Bankruptcy Code Sections 553, 555, 559 and 561; any payments or transfers of property made with respect to this Agreement or any Transaction shall be considered a “margin payment” and “settlement payment” as such terms are defined in Bankruptcy Code Sections 741(5) and 741(8).

(c) The parties agree and acknowledge that if a party hereto is an “insured depository institution,” as such term is defined in the Federal Deposit Insurance Act, as amended (“FDIA”), then each Transaction hereunder is a “qualified financial contract,” as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

(d) It is understood that this Agreement constitutes a “netting contract” as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”) and each payment entitlement and payment obligation under any Transaction hereunder shall constitute a “covered contractual payment entitlement” or “covered contractual payment obligation”, respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a “financial institution” as that term is defined in FDICIA).

(e) Each party agrees that this Agreement is intended to create mutuality of obligations among the parties, and as such, the Agreement constitutes a contract which (i) is between all of the parties and (ii) places each party in the same right and capacity.

(f) Each party agrees that this Agreement and the Transactions entered into hereunder are part of an integrated, simultaneously-closing suite of financial contracts.

Section 33. Reserved.

Section 34. Conflicts. In the event of any conflict between the terms of this Agreement, any other Facility Document and any Confirmation, the documents shall control in the following order of priority: first, the terms of the Confirmation shall prevail, second, then the terms of this Agreement shall prevail, and then the terms of the Facility Documents shall prevail.

Section 35. Authorizations. Any of the persons whose signatures and titles appear on Schedule 2 are authorized, acting singly, to act for Seller or Buyer under this Agreement.

Section 36. Reserved Wire Instructions.

(a) In addition to the foregoing, the Buyer shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Agreement, set forth on Exhibit E hereto (as such schedule may be updated from time to time pursuant to the provisions set forth below), and delivered using Electronic Means (as hereinafter defined); provided, however, that the Seller shall provide to the Buyer an incumbency certificate listing officers with the authority to provide such Instructions (“Seller Authorized Officers”) and containing specimen signatures of such Seller Authorized Officers, which incumbency certificate shall be amended by the Seller whenever a person is to be added or deleted from the listing. Any modifications to the Instructions shall be agreed to by all parties hereto and prior to providing funds to any party under this Agreement. If the Seller elects to give the Instructions using Electronic Means and the Buyer in its discretion elects to act upon such Instructions, the Buyer’s understanding of such Instructions shall be deemed controlling. The Seller understands and agrees that the Buyer cannot determine the identity of the actual sender of such Instructions and that the Buyer shall conclusively presume that directions that purport to have been sent by a Seller Authorized Officer listed on the incumbency certificate provided to the Buyer have been sent by such Seller Authorized Officer. The Seller shall be responsible for ensuring that only Seller Authorized Officers transmit such Instructions to the Buyer and that the Seller and all Seller Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt. The Buyer shall not be liable for any losses, costs or expenses arising directly or indirectly from the Buyer’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Seller agrees: (i) the Seller shall assume all risks and liabilities arising out of the use of Electronic Means to submit Instructions to the Buyer, including without limitation the risk of the Buyer’s acting on unverified unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Buyer and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Seller, not otherwise stated herein; and (iii) to notify the Buyer promptly upon learning of any compromise or unauthorized use of the security procedures. “Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Buyer, or another method or system specified by the Buyer as available for use in connection with its services hereunder.

(b) In the event that any party hereto desires to amend the information set forth on Exhibit E hereto (the "Requesting Party"), such Requesting Party shall submit such request to the other party hereto. Upon confirmation of the other party that such Requesting Party's changes have been confirmed pursuant to its internal protocols, such party shall deliver confirmation thereof to the Requesting Party. Upon receipt of such confirmation, the Requesting Party shall revise Exhibit E hereto to reflect the changes requested by the Requesting Party and shall circulate a revised Exhibit E hereto to the parties hereto. Each party hereto shall promptly confirm its acceptance of Exhibit E hereto and upon such confirmation from at least one email address from each party hereto, the Requesting Party shall confirm to all parties hereto that such Exhibit E is amended.

Section 37. Miscellaneous.

(a) Counterparts. This Agreement may be executed ~~in~~ by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument, ~~and any of the parties hereto may execute this Agreement by signing any such counterpart.~~ Counterparts may be delivered electronically. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Agreement, any addendum or amendment hereto or any other document necessary for the consummation of the transaction contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures In Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service providers, as long as such service providers use system logs and audit trails that establish a temporal and process link between the presentation of identity documents and the electronic signing, together with identifying information that can be used to verify the electronic signature and its attribution to the signer's identity and evidence of the signer's agreement to conduct the transaction electronically and of the signer's execution of each electronic signature.

(b) Captions. The captions and headings appearing herein are for included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

(c) Acknowledgment. Seller hereby acknowledges that:

- (i) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Facility Documents;
- (ii) Buyer has no fiduciary relationship to Seller;
- (iii) no joint venture exists between Buyer and Seller; and

(iv) it has made its own independent decisions to enter into the Facility Documents and each Transaction and as to whether such Transaction is appropriate and proper for it based upon its own judgment and upon advice from such advisors (including without limitation, legal counsel and accountants) as it has deemed necessary and Seller is not relying upon any advice from Buyer as to any aspect of the Transactions, including without limitation, the legal, accounting or tax treatment of such Transactions.

(d) Documents Mutually Drafted. Seller and Buyer agree that this Agreement and each other Facility Document prepared in connection with the Transactions set forth herein have been mutually drafted and negotiated by each party, and consequently such documents shall not be construed against either party as the drafter thereof.

Section 38. General Interpretive Principles. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(b) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(c) references herein to "Articles", "Sections", "Subsections", "Paragraphs", and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Agreement;

(d) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions;

(e) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision;

(f) the term "include" or "including" shall mean without limitation by reason of enumeration;

(g) all times specified herein or in any other Facility Document (unless expressly specified otherwise) are local times in New York, New York unless otherwise stated; and

(h) all references herein or in any Facility Document to "good faith" means good faith as defined in Section 5-102(7) of the UCC as in effect in the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date set forth above.

BUYER:

**NOMURA CORPORATE FUNDING  
AMERICAS, LLC**

By: /s/ Jack Kattan

Name: Jack Kattan

Title: Managing Director

Address for Notices:

Nomura Corporate Funding Americas, LLC  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attn: Operations  
Email: [\*\*\*]

With copies to:

Nomura Corporate Funding Americas, LLC  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attn: Michael Rogozinski  
Email: [\*\*\*]

Alston & Bird LLP  
90 Park Avenue  
New York, New York 10016  
Tel: [\*\*\*]  
Fax: [\*\*\*]  
Attn: Karen Gelernt, Esq.  
Email: [\*\*\*]

Signature Page to Master Repurchase Agreement

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SELLER:

**FINANCE OF AMERICA MORTGAGE  
LLC**

By: /s/ Robert Conway

Name: Robert Conway

Title: Treasurer

Address for Notices:

~~300 Welsh Road, Building 51~~ [West Elm Street,  
First Floor](#)

~~Horsham~~ [Conshohocken, PA 19044](#) 19428

Attn: Michael Lord

Email: [\*\*\*]

With copies to:

30 7<sup>th</sup> St E, Suite 2350

Saint Paul, MN 55101

Attn: ~~Paulette Hainstock~~ [Pieter VanZyl](#)

Email: [\*\*\*]

Signature Page to Master Repurchase Agreement

SCHEDULE 1

**REPRESENTATIONS AND WARRANTIES RE: MORTGAGE LOANS**

Seller makes the following representations and warranties to Buyer with respect to each Mortgage Loan as of the Purchase Date for the purchase of any such Mortgage Loan by Buyer from Seller and at all times while the Mortgage Loan is subject to a Transaction hereunder. With respect to those representations and warranties which are made to the best of Seller's knowledge, if it is discovered by Seller or Buyer that the substance of such representation and warranty is inaccurate, notwithstanding Seller's lack of knowledge with respect to the substance of such representation and warranty, such inaccuracy shall be deemed a breach of the applicable representation and warranty.

(a) Data. The information on the Asset Schedule is complete, true and correct in all material respects as of the date of such information. All information contained in the related Asset File and in the Underwriting Package in respect of the Mortgage Loans is accurate and complete in all material respects.

(b) Compliance with Applicable Laws. Any and all requirements of any federal, state or local law including, without limitation, legal capacity to contract, usury, truth-in-lending, real estate settlement procedures, consumer credit protection, TILA-RESPA Integrated Disclosure Rule, equal credit opportunity or disclosure laws applicable to the Mortgage Loan have been complied with, the consummation of the transactions contemplated hereby will not involve the violation of any such laws or regulations by Seller or Servicer of the Mortgage Loan shall maintain or Seller shall cause Servicer of such Mortgage Loan to maintain in its possession, available for the inspection of Buyer, and shall deliver to Buyer, upon demand, evidence of compliance with all such requirements. Without limiting the generality of the foregoing, other than with respect to Investor Mortgage Loans, if the related Mortgagor's loan application for such Mortgage Loan was taken on or after October 3, 2015, such Mortgage Loan was originated in compliance with the TILA-RESPA Integrated Disclosure Rule.

(c) Origination and Servicing Practices; No Escrow Deposits. The origination and collection practices used by the originator, each servicer of the Mortgage Loan and Seller with respect to each Mortgage Loan have been in all respects in accordance with Accepted Servicing Practices, applicable laws and regulations, and have been in all respects legal and proper and the servicing practices used with respect to the Mortgage Loan have been in accordance with Accepted Servicing Practices, whether such servicing was done by the Seller, its affiliates, or any third-party subservicer or servicing agent of any of the foregoing. With respect to escrow deposits and escrow payments, all such payments are in the possession of, or under the control of Seller. 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 due Seller have been capitalized under the Mortgage, the Mortgage Note or any related Mortgage Loan Document. Any interest required to be paid pursuant to state, federal and local law has been properly paid and credited.

(d) Ownership. Seller has good and marketable title and full right to sell the Mortgage Loan to Buyer free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest, and has full right and authority subject to no interest or participation of, or agreement with, any other party, to sell each Mortgage Loan pursuant to this Agreement and following the sale of each Mortgage Loan, Buyer will own such Mortgage Loan free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest except any such security interest created or expressly permitted pursuant to the terms of this Agreement.

(e) Valid First Lien. The Mortgage is a valid, subsisting, enforceable and perfected with respect to each Mortgage Loan, first priority lien and first priority security interest on the real property included in the Mortgaged Property, including all buildings on the Mortgaged Property and all installations and mechanical, electrical, plumbing, heating and air conditioning systems located in or annexed to such buildings, and all additions, alterations and replacements made at any time with respect to the foregoing. The lien of the Mortgage is subject only to:

- a. the lien of current real property taxes and assessments not yet due and payable;
- b. covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording acceptable to prudent mortgage lending institutions generally and specifically referred to in the title insurance policy delivered to Seller and (a) referred to or otherwise considered in the Appraisal or AVM/BPO, as applicable made for to Seller or (b) which do not adversely affect the Appraisal Value of the Mortgaged Property set forth in such Appraisal or AVM/BPO as applicable;
- c. other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security intended to be provided by the Mortgage or the use, enjoyment, value or marketability of the related Mortgaged Property.

Any security agreement, chattel mortgage or equivalent document related to and delivered in connection with the Mortgage Loan establishes and creates a valid, subsisting and enforceable first lien and first priority security interest on the property described therein and Seller has full right to pledge and assign the same to Buyer. The Mortgaged Property was not, as of the date of origination of the Mortgage Loan, subject to a mortgage, deed of trust, deed to secure debt or other security instrument creating a lien subordinate to the lien of the Mortgage, except in accordance with the applicable Underwriting Guidelines.

(f) Original Terms Unmodified. The terms of the Mortgage Note and Mortgage have not been impaired, waived, altered or modified in any respect, from the date of origination; except by a written instrument which has been recorded, if necessary to protect the interests of Buyer, and which has been delivered to the Custodian and the terms of which are reflected in the Asset Schedule. The substance of any such waiver, alteration or modification has been approved by the title insurer, to the extent required, and its terms are reflected on the Asset Schedule. No Mortgagor in respect of the Mortgage Loan has been released, in whole or in part, except in connection with an assumption agreement approved by the title insurer, to the extent required by such policy, and which assumption agreement is part of the Asset File delivered to the Custodian and the terms of which are reflected in the Asset Schedule.

(g) Mortgage Recorded: Assignments of Mortgage. Except as provided in paragraph (e) above, each original Mortgage was recorded or submitted for recordation in the jurisdiction in which the Mortgaged Property is located and all subsequent assignments of the original Mortgage have been delivered in the appropriate form for recording in all jurisdictions in which such recordation is necessary to perfect the ownership of the Mortgage by the owner thereof against creditors of the Seller or is in the process of being recorded. With respect to each Mortgage that 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 such Mortgage and no fees or expenses are or will become payable by the mortgagee to the trustee under the deed of trust, except in connection with a trustee's sale after default by the Mortgagor. With respect to each Mortgage Loan that is not a MERS Mortgage Loan, the Assignment of Mortgage, upon the insertion of the name of the assignee and recording information, is in recordable form (other than the name of the assignee if in blank) and is acceptable for recording under the laws of the jurisdiction in which the related Mortgaged Property is located. With respect to each MERS Mortgage Loan, (i) the related Mortgage and Assignment of Mortgage have been duly and properly recorded in the name of MERS or its designee or have been delivered for recording to the applicable recording office and (ii) a mortgage identification number has been assigned by MERS and such mortgage identification number is accurately provided on the Asset Schedule (or is otherwise provided to Buyer). The related Assignment of Mortgage to MERS has been duly and properly recorded. With respect to each MERS Mortgage Loan, the Seller has not received any notice of liens that are senior to the related Mortgage or legal actions with respect to such Mortgage Loan and no such notices have been electronically posted by MERS.

(h) Litigation. There is no action, suit, proceeding or investigation pending, or to the best of Seller's knowledge threatened, that is related to the Mortgage Loan and likely to affect materially and adversely such Mortgage Loan.

(i) No Outstanding Charges. All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments or ground rents which previously became due and owing have been paid, or an escrow of funds has been established 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. Seller has not advanced funds, or induced, solicited or knowingly received any advance of funds by a party other than the Mortgagor, directly or indirectly, for the payment of any amount required under the Mortgage Loan, except for interest accruing from the date of the Mortgage Note or date of disbursement of the proceeds of the Mortgage Loan, whichever is earlier, to the day which precedes by one month the Due Date of the first installment of principal and interest thereunder.

(j) No Defenses. The Mortgage Loan is not subject to any right of rescission, 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 and no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto, and no Mortgagor in respect of the Mortgage Loan was a debtor in any state or Federal

bankruptcy or insolvency proceeding at the time the Mortgage Loan was originated. The Mortgagor did not have a prior bankruptcy and did not previously own property that was the subject of a foreclosure during the time the Mortgagor was the owner of record. Seller has no knowledge nor has it received any notice that any Mortgagor in respect of the Mortgage Loan is a debtor in any state or federal bankruptcy or insolvency proceeding. Seller has no knowledge of any circumstances or condition with respect to the Mortgage, the Mortgaged Property, the Mortgagor or the Mortgagor's credit standing that could reasonably be expected to cause investors to regard the Mortgage Loan as an unacceptable investment, cause the Mortgage Loan to become delinquent or materially adversely affect the value or marketability of the Mortgage Loan.

(k) No Satisfaction of Mortgage. The Mortgage has not been satisfied, canceled, subordinated or rescinded, in whole or in part, and the Mortgaged Property has not been released from the lien of the Mortgage, in whole or in part, nor has any instrument been executed that would effect any such release, cancellation, subordination or rescission. Seller has not waived the performance by the Mortgagor of any action, if the Mortgagor's failure to perform such action would cause the Mortgage Loan to be in default, nor has Seller waived any default resulting from any action or inaction by the Mortgagor.

(l) No Consents. Other than consents and approvals obtained as of the related Purchase Date or those already granted in the documents governing such Mortgage Loan, no consent or approval by any Person is required in connection with Seller's sale and/or Buyer's acquisition of such Mortgage Loan, for Buyer's exercise of any rights or remedies in respect of such Mortgage Loan or for Buyer's sale, pledge or other disposition of such Mortgage Loan. No third party holds any "right of first refusal", "right of first negotiation", "right of first offer", purchase option, or other similar rights of any kind, and no other impediment exists to any such transfer or exercise of rights or remedies with respect to such Mortgage Loan. No consent, approval, authorization or order of, or registration or filing with, or notice to, any court or governmental agency or body having jurisdiction or regulatory authority over Seller is required for any transfer or assignment by the holder of such Mortgage Loan.

(m) Validity of Mortgage Documents. The Mortgage Note and the Mortgage and any other agreement executed and delivered by a Mortgagor or guarantor, if applicable, in connection with a Mortgage Loan are genuine, and each is the legal, valid and binding obligation of the maker thereof enforceable in accordance with its terms. All parties to the Mortgage Note, the Mortgage and any other such related agreement had legal capacity to enter into the Mortgage Loan and to execute and deliver the Mortgage Note, the Mortgage and any such agreement, and the Mortgage Note, the Mortgage and any other such related agreement have been duly and properly executed by such related parties. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to a Mortgage Loan has taken place on the part of any Person, including, without limitation, the Mortgagor, any appraiser, AVM/BPO provider, any builder or developer, or any other party involved in the origination of the Mortgage Loan or in connection with the sale of such Mortgage Loan to Buyer. Seller has reviewed all of the documents constituting the Asset File and has made such inquiries as it deems necessary to make and confirm the accuracy of the representations set forth herein. Except as disclosed to Buyer in writing, all tax identifications and property descriptions are legally sufficient; and tax segregation, where required, has been completed.

(n) Environmental Compliance. There does not exist on the Mortgaged Property any hazardous substances, hazardous materials, hazardous wastes, solid wastes or other pollutants, as such terms are defined in the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. 9601 et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., or other applicable federal, state or local environmental laws including, without limitation, asbestos, in each case in excess of the permitted limits and allowances set forth in such environmental laws to the extent such laws are applicable to the Mortgaged Property. There is no pending action or proceeding directly involving the Mortgaged Property in which compliance with any environmental law, rule or regulation is an issue; there is no violation of any applicable environmental law (including, without limitation, asbestos), rule or regulation with respect to the Mortgaged Property; 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

(o) Location and Type of Mortgaged Property. The Mortgaged Property is located in any State in the United States of America or District of Columbia acceptable pursuant to applicable Underwriting Guidelines as identified in the Asset Schedule and consists of a single parcel of real property with a detached single family residence erected thereon, or a two- to four-family dwelling.

(p) Mortgaged Property Undamaged. Unless required repairs were identified at the time of origination and appropriate set-asides have been made for such repairs, to the best of the best of Seller's knowledge, the Mortgaged Property is in good repair and undamaged by waste, fire, earthquake or earth movement, windstorm, flood, hurricane, tornado, mold 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.

(q) No Condemnation. There is no proceeding pending or to the best of the Seller's knowledge threatened for the total or partial condemnation of the related Mortgaged Property.

(r) Consolidation of Principal Advances. Any principal advances made have been consolidated with the outstanding principal amount secured by the Mortgage, and the secured principal amount, as consolidated, bears a single interest rate reflected on the Asset Schedule. The lien of the Mortgage securing the principal amount (as expressed on the related Mortgage Note) is insured as having first lien priority by a title insurance policy, an endorsement to the policy insuring the mortgagee's consolidated interest or by other title evidence acceptable to Buyer.

(s) No Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to a Mortgage Loan has taken place on the part of the Seller, the Mortgagor, the appraiser, any AVM/BPO provider, any servicer or any other party involved in the origination or servicing of the Mortgage Loan or in the application of any insurance in relation to such Mortgage Loan or in connection with the sale of such Mortgage Loan to the Buyer.

(t) Origination; Payment Terms. The Mortgage Loan was originated by or in conjunction with a mortgagee approved by the Secretary of Housing and Urban Development pursuant to Sections 203 and 211 of the National Housing Act, a savings and loan association, a savings bank, a commercial bank, credit union, insurance company or similar banking institution which is supervised and examined by a federal or state authority. Principal and interest payments on the Mortgage Loan commenced no more than [\*\*\*] after funds were disbursed in connection with the Mortgage Loan. No Mortgage Loan has a balloon payment feature. The Mortgagor contributed at least [\*\*\*] of the purchase price for the Mortgaged Property from their own funds, except as permitted under the applicable Underwriting Guidelines. Interest on the Mortgage Loan is calculated on the basis of a 360-day year consisting of twelve 30-day months. With respect to adjustable rate Mortgage Loans, the Mortgage Interest Rate is adjusted on each Interest Rate Adjustment Date to equal the index plus the fixed percentage amount, in each case as set forth in the related Mortgage Note (rounded up or down to the nearest [\*\*\*]), subject to the limit on each Mortgage Interest Rate adjustment as set forth in the related Mortgage Note. The Mortgage Note is payable on the first day of each month in equal monthly installments of principal and interest, which installments of interest with respect to adjustable rate Mortgage Loans, are subject to change on the Interest Rate Adjustment Date due to adjustments to the Mortgage Interest Rate on each Interest Rate Adjustment Date with interest calculated and payable in arrears, sufficient to amortize the Mortgage Loan fully by the stated maturity date, over an original term of not more than 30 years from commencement of amortization.

(u) Capitalization of Interest. The Mortgage Note does not by its terms provide for the capitalization or forbearance of interest.

(v) Hazard Insurance. The Mortgaged Property is insured by a fire and extended perils insurance policy, issued by a Qualified Insurer, and such other hazards as are customary in the area where the Mortgaged Property is located, and to the extent required by Seller as of the date of origination consistent with the applicable Underwriting Guidelines, against earthquake and other risks insured against by Persons operating like properties in the locality of the Mortgaged Property, in an amount not less than the greatest of (i) 100% of the replacement cost of all improvements to the Mortgaged Property, (ii) the outstanding principal balance of the Mortgage Loan, or (iii) the amount necessary to avoid the operation of any co-insurance provisions with respect to the Mortgaged Property, and consistent with the amount that would have been required as of the date of origination in accordance with the applicable Underwriting Guidelines. If any portion of the Mortgaged Property is in an area identified by any federal Governmental Authority as having special flood hazards, and flood insurance is available, a flood insurance policy meeting the current guidelines of the Federal Emergency Management Agency is in effect with a generally acceptable insurance carrier, in an amount representing coverage not less than the least of (1) the outstanding principal balance of the Mortgage Loan (2) the full insurable value of the Mortgaged Property, and (3) the maximum amount of insurance available under the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973. All such insurance policies (collectively, the "hazard insurance policy") contain a standard mortgagee clause naming Seller, its successors and assigns (including, without limitation, subsequent owners of the Mortgage Loan), as mortgagee, and may not be reduced, terminated or canceled without 30 days' prior written notice to the mortgagee. No such notice has been received by Seller. All premiums on such insurance policy have been paid. The related Mortgage obligates the Mortgagor to maintain all such insurance and, at such Mortgagor's failure to do so, authorizes the mortgagee to maintain such insurance at the Mortgagor's cost and expense and to seek reimbursement therefor from such Mortgagor. Where required by state law or regulation, the Mortgagor has been given an opportunity to choose the carrier of the required

hazard insurance, provided the policy is not a "master" or "blanket" hazard insurance policy covering a condominium, or any hazard insurance policy covering the common facilities of a planned unit development. The hazard insurance policy is the valid and binding obligation of the insurer and is in full force and effect. Seller has not engaged in, and 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 endorsement provided for herein, 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, and no such unlawful items have been received, retained or realized by Seller.

(w) Full Disbursement of Proceeds. There is no further requirement for future advances under the Mortgage Loan, and any and all requirements as to completion of any on-site or off-site improvement and as to disbursements of any escrow funds therefor have been complied with. All costs, fees and expenses incurred in making or closing the Mortgage Loan and the recording of the Mortgage were paid, and the Mortgagor is not entitled to any refund of any amounts paid or due under the Mortgage Note or Mortgage. All broker fees have been properly disclosed to the Mortgagor and no claims will arise as to broker fees that are double charged and for which the Mortgagor would be entitled to reimbursement.

(x) Title Insurance. The Mortgage Loan is covered by either (i) an attorney's opinion of title and abstract of title, the form and substance of which is acceptable to prudent mortgage lending institutions making mortgage loans in the area wherein the Mortgaged Property is located or (ii) an American Land Title Association lender's title insurance policy or other generally acceptable form of policy or insurance acceptable to Buyer, Fannie Mae or Freddie Mac and each such title insurance policy is issued by a title insurer acceptable to Buyer, Fannie Mae or Freddie Mac and qualified to do business in the jurisdiction where the Mortgaged Property is located, insuring Seller, its successors and assigns, as to the first priority lien of the Mortgage, as applicable, in the original principal amount of the Mortgage Loan, with respect to a Mortgage Loan, subject only to the exceptions contained in clauses (a), (b) and (c) of paragraph (e) of this Schedule 1, and in the case of adjustable rate Mortgage Loans, 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 state law or regulation, the Mortgagor has been given the opportunity to choose the carrier of the required mortgage title insurance. Additionally, such lender's title insurance policy affirmatively insures ingress and egress and against encroachments by or upon the Mortgaged Property or any interest therein. The title policy does not contain any special exceptions (other than the standard exclusions) for zoning and uses and has been marked to delete the standard survey exception or to replace the standard survey exception with a specific survey reading. Seller, its successors and assigns, are the sole insureds of such lender's title insurance policy, and such lender's title insurance policy is valid and remains in full force and effect and will be in 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 or servicer of the related Mortgage, including Seller, has done, by act or omission, anything which would impair the coverage of such lender's title insurance policy, 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, and no such unlawful items have been received, retained or realized by Seller.

(y) No Mechanics' Liens. There are no mechanics' or similar liens 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 Mortgaged Property which are or may be liens prior to, or equal or coordinate with, the lien of the Mortgage.

(z) Location of Improvements; No Encroachments. All improvements which were considered in determining the Appraisal Value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of such Mortgaged Property, and no improvements on adjoining properties encroach upon such Mortgaged Property. No improvement located on or being part of the Mortgaged Property is in violation of any applicable zoning and building law, ordinance or regulation.

(aa) Underwriting Standards. Each Mortgage Loan was underwritten in accordance with the applicable Underwriting Guidelines, unless otherwise approved by Buyer.

(bb) Customary Provisions. The Mortgage Note has a stated maturity. 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 provided thereby, including, (i) in the case of a Mortgage designated as a deed of trust, by trustee's sale, and (ii) otherwise by judicial foreclosure. Upon default by a Mortgagor on a Mortgage Loan and foreclosure on, or trustee's sale of, the Mortgaged Property pursuant to the proper procedures, the holder of the Mortgage Loan will be able to deliver good and merchantable title to the Mortgaged Property. There is no homestead or other exemption or other right available to the Mortgagor or any other person, or restriction on the Seller or any other person, including without limitation, any federal, state or local, law, ordinance, decree, regulation, guidance, attorney general action, or other pronouncement, whether temporary or permanent in nature, that would interfere with, restrict or delay, either (y) the ability of the Seller, Buyer or any servicer or any successor servicer to sell the related Mortgaged Property at a trustee's sale or otherwise, or (z) the ability of the Seller, Buyer or any servicer or any successor servicer to foreclose on the related Mortgage. The Mortgage Note and Mortgage are on forms acceptable to Buyer, Fannie Mae or Freddie Mac.

(cc) No Additional Collateral. The Mortgage Note is not and has not been secured by any collateral except the lien of the corresponding Mortgage and the security interest of any applicable security agreement and chattel mortgage referred to in paragraph (e) above or other collateral specified in the related Mortgage Loan documents. There are, as of origination date and as of the Purchase Date, no subordinate mortgages or junior liens securing the payment of money encumbering the related Mortgaged Property, and equipment and other personal property financing). No mezzanine debt is secured directly by interests in the related Mortgagor.

(dd) Due-On-Sale. The Mortgage contains a provision for the acceleration of the payment of the unpaid principal balance of the Mortgage Loan in the event that the Mortgaged Property is sold or transferred without the prior written consent of the mortgagee thereunder.

(ee) Proceeds of Mortgage Loan. The proceeds of the Mortgage Loan have not been and shall not be used to satisfy, in whole or in part, any debt owed or owing by the Mortgagor to Seller or any Affiliate or correspondent of Seller, except in connection with a refinanced Mortgage Loan.

(ff) No Equity Participation. No document relating to the Mortgage Loan provides for any contingent or additional interest in the form of participation in the cash flow of the Mortgaged Property or a sharing in the appreciation of the value of the Mortgaged Property. The indebtedness evidenced by the Mortgage Note is not convertible to an ownership interest in the Mortgaged Property or the Mortgagor and no Seller has financed nor does it own directly or indirectly, any equity of any form in the Mortgaged Property or the Mortgagor.

(gg) Single Interest Rate: Consolidated Principal Amount. The secured principal amount, as consolidated, bears a single interest rate and single repayment term. The consolidated principal amount does not exceed the original principal amount of the Mortgage Loan.

(hh) Mortgage Releases. The terms of the related Mortgage or related Mortgage Loan Documents do not provide for the release of any related Mortgaged Property from the lien of the Mortgage except (a) upon payment in full of such Mortgage Loan, (b) as required pursuant to an order of condemnation or a material casualty, or (c) in connection with a substitution of collateral within the parameters specified in the related Mortgage Loan Documents.

(ii) Payments Current. All payments required to be made up to the Purchase Date for the Mortgage Loan under the terms of the Mortgage Note have been made and credited. On the related Purchase Date, the Mortgage Loan (i) is [\*\*\*] Delinquent with respect to any payment of principal or interest or otherwise not in default, and (ii) the Mortgagor is not subject as a debtor under a proceeding under the Bankruptcy Code, nor is the related Mortgaged Property involved in any proceeding under the Bankruptcy Code. The Mortgagor is not subject to an Insolvency Event. The first Monthly Payment shall be made, or shall have been made, with respect to the Mortgage Loan on its Due Date or within the grace period, all in accordance with the terms of the related Mortgage Note.

(jj) Advance of Funds by Seller. After origination, no advance of funds has been made by Seller to the related Mortgagor other than in accordance with the Mortgage Loan Documents, and, to Seller's knowledge, no funds have been received from any person other than the related Mortgagor or an affiliate for, or on account of, payments due on the Mortgage Loan. Neither Seller nor Any affiliate thereof has any obligation to make any capital contribution to any Mortgagor under a Mortgage Loan, other than contributions made on or prior to the date hereof.

(kk) Occupancy of the Mortgaged Property. As of the Purchase Date the Mortgaged Property is lawfully occupied under applicable law (and in the case of Investor Mortgage Loans by a Person other than the owner of such Mortgaged Property). 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. Seller has not received notification from any Governmental Authority that the Mortgaged Property is in material non-compliance with such laws or

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regulations, is being used, operated or occupied unlawfully or has failed to have or obtain such inspection, licenses or certificates, as the case may be. Seller has not received notice of any violation or failure to conform with any such law, ordinance, regulation, standard, license or certificate. With respect to any Mortgage Loan (other than an Investor Mortgage Loan) originated with an "owner-occupied" Mortgaged Property, the Mortgagor represented at the time of origination of the Mortgage Loan that the Mortgagor would occupy the Mortgaged Property as the Mortgagor's primary residence.

(ll) Compliance with Anti-Money Laundering Laws. Seller has complied in all material respects with all applicable anti-money laundering laws and regulations, including without limitation the PATRIOT Act of 2001 with respect to the origination or purchase of each Mortgage Loan. No Mortgage Loan is subject to nullification pursuant to the orders or the regulations promulgated by OFAC or in violation of the orders or OFAC regulations, and no Mortgagor is subject to the provisions of such orders or OFAC regulations nor listed as a "blocked person" for purposes of the OFAC regulations.

(mm) Access; Utilities; Separate Tax Lots. Each Mortgaged Property (a) is located on or adjacent to a public road and has direct legal access to such road, or has access via an irrevocable easement or irrevocable right of way permitting ingress and egress to/from a public road, (b) is served by or has uninhibited access rights to public or private water and sewer (or well and septic) and electricity all of which are appropriate for the current use of such Mortgaged Property, and (c) constitutes one or more separate tax parcels which do not include any property which is not part of such Mortgaged Property or is subject to an endorsement under the related title insurance policy insuring such Mortgaged Property, or in certain cases, an application has been, or will be, made to the applicable governing authority for creation of separate tax lots, in which case the related Mortgage Loan requires the related Mortgagor to escrow an amount sufficient to pay taxes for the existing tax parcel of which such Mortgaged Property is a part until the separate tax lots are created.

(nn) Licenses and Permits. Each Mortgagor covenants in the Mortgage Loan Documents that it shall keep all material licenses, permits and applicable governmental authorizations necessary for its operation of the related Mortgaged Property in full force and effect, and all such material licenses, permits and applicable governmental authorizations are in effect. Each Mortgage Loan requires the related Mortgagor to be qualified to do business in the jurisdiction in which the related Mortgaged Property is located. No Seller is aware of any Mortgagor, guarantor or other obligor on the Mortgage Loan having received notice of any noncompliance with any use or occupancy law, ordinance, regulation, standard, license or certificate with respect to any Mortgaged Property.

(oo) Mortgage Provisions. The Mortgage Loan Documents for each Mortgage Loan contain provisions that render the rights and remedies of the holder thereof adequate for the practical realization against each related Mortgaged Property of the principal benefits of the security intended to be provided thereby, including realization by judicial or, if applicable, non-judicial foreclosure.

(pp) UCC Filings: Mortgage Recorded. Seller has recorded or caused to be recorded (or, if not recorded, have been submitted in proper form for recording), UCC financing statements in the appropriate public recording offices necessary at the time of the origination of the Mortgage Loan to perfect a valid security interest in any collateral for such Mortgage Loan to the extent perfection may be effected pursuant to applicable law by recording, as the case may be. The related Mortgage (or equivalent document) or other related collateral document creates a valid and enforceable lien and security interest on the items of personalty described above that may be perfected by recording. No representation is made as to the perfection of any security interest in rents or other personal property to the extent that possession or control of such items or actions other than the recording of UCC financing statements are required in order to effect such perfection. The Mortgage either has been or will promptly be submitted for recordation in the appropriate recording office of the jurisdiction where the Mortgaged Property is located.

(qq) Compliance with Usury Laws. The mortgage interest rate (exclusive of any default interest, late charges, yield maintenance charge, or prepayment premiums) of each Mortgage Loan complied as of the date of origination with, or was exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury. No Mortgage Loan is subject to forfeiture or any material penalties as a result of non-compliance with any applicable state or federal laws, regulations and other requirements pertaining to usury.

(rr) Complete Asset Files: Take-Out Investor. For each Mortgage Loan (except with respect to Wet-Ink Mortgage Loans solely prior to the Wet-Ink Delivery Date), all of the required Mortgage Loan documents have been delivered to the Custodian in accordance with the Custodial Agreement and all Mortgage Loan documents necessary to foreclose on the Mortgaged Property are included in the Asset File delivered to the Custodian. No material documentation is missing from the Asset File in possession of Custodian, unless such documentation is subject to a Servicer request for release of documents and a foreclosure attorney acknowledgment in form and substance acceptable to Buyer. Each of the documents and instruments specified to be included in the Asset File is executed and in due and proper form, and each such document or instrument is in form acceptable to the applicable federal or state regulatory agency. With respect to each such Mortgage Loan, upon the consummation of the related Transaction, Custodian shall have received the related Asset File and such Asset File shall not have been released from the possession of the Custodian at any time for longer than the time periods permitted under the Custodial Agreement; provided that in the case of a Wet-Ink Mortgage Loan, Custodian shall have received the related Asset File by no later than the Wet-Ink Delivery Date.

(ss) Loan Type. No Mortgage Loan is an interest only loan, "pay option ARM," "pick-a-payment" or similar type of mortgage loan or a home equity revolving line of credit, reverse mortgage loan, co-operative loan or commercial loan.

(tt) Predatory Lending Regulations: High Cost Loans. No Mortgage Loan (i) is a High Cost Mortgage Loan, (ii) is subject to Section 226.32 of Regulation Z or any similar state law (relating to high interest rate credit/lending transactions), (iii) contains any term or condition, or involves any loan origination practice, that has been defined as "predatory" under any applicable federal, state, county or municipal law, or that has been expressly categorized as an "unfair" or "deceptive" term, condition or practice in any such applicable federal, state, county or municipal law, (iv) is currently affected by the operation of any law, regulation or rule that (A) imposes liability on a mortgagee or a lender to a mortgagee for upkeep to a Mortgaged Property prior to completion of foreclosure thereon, or (B) imposes liability on a lender to a

mortgagee for acts or omissions of the mortgagee or otherwise defines a mortgagee in a manner that would include a lender to a mortgagee, or (v) otherwise relates to any violation of the Home Ownership and Equity Protection Act or any state, city or district high cost home mortgage or predatory lending law.

(uu) Rehabilitation. The related Mortgaged Property is not a ground-up construction, a tear-down, a partial tear-down or a gut rehabilitation.

(vv) Single Premium Credit Life Insurance: No Mortgagor was required to purchase any credit life, credit disability, credit unemployment, credit property, debt cancellation, accident or health insurance product as a condition of obtaining the extension of credit. No Mortgagor obtained a prepaid single-premium credit life, credit disability, credit unemployment, credit property, debt cancellation, accident or health insurance policy in connection with the origination of the Mortgage Loan. None of the proceeds of the Mortgage Loan were used to purchase or finance single-premium credit insurance policies as part of the origination of, or as a condition to the closing, such Mortgage Loan.

(ww) Qualified Mortgage. Each Mortgage Loan satisfies each of the following criteria (i)-(iii) below:

- (i) A) For any Agency Mortgage Loan where an application for the Agency Mortgage Loan was taken on or before June 30, 2021, such Agency Mortgage Loan is a “qualified mortgage” or a “Qualified Mortgage-Rebuttable Presumption”, as defined in Section 1026.43(e)(4)(ii)(A) as it existed on February 26, 2021, which meets the requirements for purchase or guarantee by Fannie Mae or Freddie Mac, except with regard to matters wholly unrelated to ability to repay, and which will be purchased or securitized by Fannie Mae or Freddie Mac as applicable on or before August 31, 2021; or
- ~~B) (ww) Qualified Mortgage: Ability to Repay. Except with respect to Investor Mortgage Loans, before the consummation of the Mortgage Loan, Seller made a reasonable and good faith determination that the Mortgagor had a reasonable ability to repay the loan according to its terms, in accordance with, at a minimum, the eight underwriting factors set forth in 12 CFR 1026.43(e). Except with respect to Investor Mortgage Loans, Seller as originator has retained written record that evidence its compliance with the ability to repay standards that include, but are not limited to records of points and fees information and mortgagor income and debt information. Unless such Mortgage Loan is an Investor~~ For any Agency Mortgage Loan where an application for the Agency Mortgage Loan was taken on or after July 1, 2021, such Agency Mortgage Loan or a Non-QM Loan, such Mortgage Loan is either a “qualified mortgage” or a “Qualified Mortgage-Rebuttable Presumption” within the meaning of Section 1026.43(e)(2) of Regulation Z without reference to Section 1026.43(e)(4), (5), (6), (7) or (f) of Regulation Z; or

- C) Unless such Mortgage Loan is an Investor Mortgage Loan or a Non-OM Loan, such Mortgage Loan is a “qualified mortgage” or a “Qualified Mortgage-Rebuttable Presumption”, as defined in Section 1026.43(c)(4);
- (ii) Except with respect to any Investor Loan, such Mortgage Loan is supported by documentation that evidences compliance with the ability to repay standards that include, but are not limited to, records of points and fees information and mortgagor income and debt information as set forth in Regulation Z, including all necessary evidence to demonstrate compliance with (ww)(i)(A), (B), or (C) above, as applicable.
- (iii) Unless such Mortgage Loan is an Investor Mortgage Loan or a Non-OM Loan, such Mortgage Loan is accurately identified in writing to Buyer as either a “qualified mortgage” or a “Qualified Mortgage-Rebuttable Presumption”;
- (xx) No Second Liens: No Mortgage Loan is secured by a junior priority lien on the related Mortgaged Property.

(yy) REMIC. The Mortgage Loan is a “qualified mortgage” within the meaning of Section 860G(a)(3) of the Code (but determined without regard to the rule in Treasury Regulations Section 1.860G-2(f)(2) that treats certain defective mortgage loans as qualified mortgages), and, accordingly, (A) the issue price of the Mortgage Loan to the related Mortgagor at origination did not exceed the non-contingent principal amount of the Mortgage Loan and (B) either: (a) such Mortgage Loan is secured by an interest in real property (including buildings and structural components thereof, but excluding personal property) having a fair market value (i) at the date the Mortgage Loan was originated at least equal to 80% of the adjusted issue price of the Mortgage Loan on such date or (ii) on the date of origination or acquisition, as applicable, at least equal to 80% of the adjusted issue price of the Mortgage Loan on such date, provided that for purposes hereof, the fair market value of the real property interest must first be reduced by (A) the amount of any lien on the real property interest that is senior to the Mortgage Loan and (B) a proportionate amount of any lien that is in parity with the Mortgage Loan; or (b) substantially all of the proceeds of such Mortgage Loan were used to acquire, improve or protect the real property which served as the only security for such Mortgage Loan (other than a recourse feature or other third-party credit enhancement within the meaning of Treasury Regulations Section 1.860G-2(a)(1)(ii)). If the Mortgage Loan was “significantly modified” prior to the Purchase Date so as to result in a taxable exchange under Section 1001 of the Code, it either (x) was modified as a result of the default or reasonably foreseeable default of such Mortgage Loan or (y) satisfies the provisions of either sub-clause (B)(a)(i) above (substituting the date of the last such modification for the date the Mortgage Loan was originated) or sub-clause (B)(a)(ii), including the proviso thereto. Any prepayment premium and yield maintenance charges applicable to the Mortgage Loan constitute “customary prepayment penalties” within the meaning of Treasury Regulations Section 1.860G-1(b)(2). All terms used in this paragraph shall have the same meanings as set forth in the related Treasury Regulations.

(zz) No Default. There is no material 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 material default, breach, violation or event permitting acceleration, and neither Seller nor its predecessors have waived any material default, breach, violation or event of acceleration. No foreclosure action is currently threatened or has been commenced with respect to any Mortgaged Property.

(aaa) No Buydown Provisions; No Graduated Payments or Contingent Interests. The Mortgage Loan does not contain provisions pursuant to which Monthly Payments are paid or partially paid with funds deposited in any separate account established by Seller, the Mortgagor, or anyone on behalf of the Mortgagor, or paid by any source other than the Mortgagor nor does it contain any other similar provisions which may constitute a "buydown" provision. The Mortgage Loan is not a graduated payment mortgage loan and the Mortgage Loan does not have a shared appreciation or other contingent interest feature.

(bbb) Credit Score Reporting. Full, complete and accurate information with respect to the Mortgagor's credit file was furnished to Equifax, Experian and Trans Union Credit Information in accordance with the Fair Credit Reporting Act and its implementing regulations. With respect to each Mortgage Loan and related consumer report (as defined in the Fair Credit Reporting Act, Public Law 91-508), or other credit information furnished by the Seller to the Buyer, the Seller has full right and authority and are not precluded by law or contract from furnishing such information to the Buyer, and the Buyer is not precluded from furnishing the same to any subsequent or prospective purchaser of such Mortgage Loan.

(ccc) Doing Business. All parties which have had any interest in the Mortgage Loan, whether as originator, purchaser, mortgagee, assignee, pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were) (i) in compliance with any and all applicable licensing requirements of the laws of the state wherein the Mortgaged Property is located, and (ii) either (A) organized under the laws of such state, (B) qualified to do business in such state, (C) a federal savings and loan association, a savings bank or a national bank having a principal office in such state, or (D) not doing business in such state in each case to the extent non-compliance would have a material adverse effect on such Mortgage Loan.

(ddd) Investor Mortgage Loans. If such Mortgage Loan is an Investor Mortgage Loan, the related Mortgaged Property is solely for use as an investment property and Seller has provided Buyer or its designee with a statement certifying such purposes as well as other checks as agreed to between Seller and Buyer as determined through due diligence. Such Mortgage Loan was not originated primarily for a personal, family or household purpose, as defined in the Truth in Lending Act and its implementing Regulation Z, and such Mortgage Loans was originated for business purposes and the proceeds of such Mortgage Loan shall be used solely for a business purpose. The Mortgaged Property securing the related Mortgage (i) is non-owner occupied, and (ii) is one or more parcels of real property with a detached single family residence erected thereon, or a two- to four- family dwelling. The related Mortgagor does not intend to occupy the Mortgaged Property for more than fourteen (14) calendar days during any one (1) calendar year. In connection with the origination of the Mortgage Loan, the related Mortgagor represented and certificated to the Originator that such Mortgaged Property is non-owner occupied and a copy of such certificate was delivered by Seller to Custodian to be maintained in the related Asset File.

(eee) FHA Mortgage Insurance: VA Loan Guaranty. With respect to the FHA Loans, the FHA Loan is covered by an FHA Mortgage Insurance Contract that is in full force and effect, and there exists no impairment to full recovery without indemnity to the Department of Housing and Urban Development or the FHA under FHA Mortgage Insurance. With respect to the VA Loans, the VA Loan is guaranteed, or eligible to be guaranteed, by a VA Loan Guaranty Agreement that is in full force and effect to the maximum extent stated therein. All necessary steps have been taken to keep such guaranty or insurance valid, binding and enforceable and each of such is the binding, valid and enforceable obligation of the FHA and the VA, respectively, to the full extent thereof, without surcharge, set-off or defense. Each FHA Loan and VA Loan was originated in accordance with the FHA Regulations and VA Regulations, as applicable.

(fff) No Defense to Insurance Coverage. No action has been taken or failed to be taken, no event has occurred and no state of facts exists or has existed on or prior to the Purchase Date (whether or not known to Seller on or prior to such date) which has resulted or will result in an exclusion from, denial of, or defense to coverage under any private mortgage insurance (if applicable) (including, without limitation, any exclusions, denials or defenses which would limit or reduce the availability of the timely payment of the full amount of the loss otherwise due thereunder to the insured) whether arising out of actions, representations, errors, omissions, negligence, or fraud of Seller, the related Mortgagor or any party involved in the application for such coverage, including the appraisal or AVM/BPO, plans and specifications and other exhibits or documents submitted therewith to the insurer under such insurance policy, or for any other reason under such coverage, but not including the failure of such insurer to pay by reason of such insurer's breach of such insurance policy or such insurer's financial inability to pay.

(ggg) No Exception. Unless otherwise approved by Buyer in writing, the Custodian has not noted any material exceptions on an Asset Schedule with respect to the Mortgage Loan which would materially adversely affect the Mortgage Loan or Buyer's interest in the Mortgage Loan.

(hhh) Disclosure Materials. The Mortgagor has executed a statement to the effect that the Mortgagor has received all disclosure materials required by applicable law with respect to the making of adjustable rate mortgage loans, and Seller maintains a copy of such statement in its Records.

(iii) Tax Service. The Mortgage Loan is covered by a life of loan, transferrable real estate tax service contract that may be assigned to Buyer.

(jjj) Prepayments. The terms of the Mortgage Loan allow for the prepayment of the Mortgage Loan in full or in part, without penalty.

AUTHORIZED REPRESENTATIVES

**SELLER NOTICES**

Attention: [\*\*\*]  
Email: [\*\*\*]

Address: ~~300 Welsh Road, Building 51~~ West Elm Street, First Floor  
~~Horsham~~ Conshohocken, PA ~~19044~~  
~~19428~~

**SELLER AUTHORIZATIONS**

Any of the persons whose signatures and titles appear below are authorized, acting singly, to act for Seller under this Agreement:

Name	Title	Signature
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**BUYER NOTICES**

Name: Operations  
Telephone: [\*\*\*]  
Facsimile: [\*\*\*]  
Email: [\*\*\*]

Address: Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316

With a copy to:

Name: [\*\*\*]  
Telephone: [\*\*\*]  
Facsimile: [\*\*\*]  
Email: [\*\*\*]

Address: Worldwide Plaza  
309 West 49th Street  
New York, New York 10019-7316

**BUYER AUTHORIZATIONS**

Any of the persons whose signatures and titles appear below, including any other authorized officers, are authorized, acting singly, to act for Buyer under this Agreement:

Name	Title	Signature
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]		[***]

**RESERVED**

Exhibit A-1

**FAM UNDERWRITING GUIDELINES**

**SEE ATTACHED.**

**[FAM UNDERWRITING GUIDELINES ARE IN A SEPARATE PDF WHICH WILL BE AFFIXED AS EXHIBIT B TO THE FINAL MRA]**

Exh. B-1

**SELLER'S TAX IDENTIFICATION NUMBER**

Entity Name

Finance of America Mortgage LLC

EIN

23-2769131

Exh. C-1

SERVICING ANNEX

Reference is hereby made to that certain Master Repurchase Agreement, dated as of October 28, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), by and between Finance of America Mortgage LLC ("Seller" or "Servicer") and Nomura Corporate Funding Americas, LLC ("Buyer"). Capitalized terms used herein but not herein defined shall have the meanings ascribed thereto in the Agreement.

(a) During the Interim Servicing Period, Servicer hereby agrees to service the related Purchased Assets in accordance with Accepted Servicing Practices and the terms, conditions and provisions set forth in the Agreement, including without limitation Section 17 of the Agreement. Such terms, conditions and provisions of the Agreement (including without limitation Section 17 of the Agreement) are hereby incorporated by reference.

(b) Without limiting the generality of the foregoing, during the Interim Servicing Period in connection with its servicing of the related Purchased Assets, Servicer shall comply with the following:

(i) Collection of Mortgage Loan Payments. Servicer will proceed diligently, in accordance with the Servicing Annex, to collect all payments due (if any) under each of such Purchased Assets when the same shall become due and payable.

(ii) Servicing Records and Servicing Files. Servicer shall be responsible for maintaining, and shall maintain, a complete set of books and records for the Purchased Assets, including the related Servicing Records and Servicing Files. Servicer shall release its custody of the contents of the Servicing Files in accordance, and only in accordance, with written instructions of Buyer, except when such release is required as incidental to the Servicer's servicing of such Purchased Assets.

(iii) MERS Mortgage Loans. With respect to each MERS Mortgage Loan, Servicer shall cause the MERS System to indicate that the related Purchased Asset is being serviced by Servicer pursuant to the Agreement (including the Servicing Annex) by entering in the MERS System the information required by the MERS System to identify Servicer as the servicer of the MERS Mortgage Loan. In the event Servicer's membership in MERS is terminated for any reason and any of the related Purchased Assets then serviced by Servicer are MERS Mortgage Loans, Servicer shall, upon Buyer's request, prepare and cause MERS to execute and deliver an Assignment of Mortgage in recordable form to transfer the Mortgage from MERS to Buyer or its designee and to execute and deliver such other notices, documents and other instruments as may be necessary or desirable to effect a transfer of such Purchased Asset.

(iv) Environmental Issue. Servicer shall, if a related Mortgaged Property is subject to the Environmental Issue, immediately stop any foreclosure proceedings and not commence new foreclosure proceedings against such Mortgaged Property.

(v) Modifications Etc. Consistent with the terms of the Servicing Annex and Accepted Servicing Practices, Servicer may waive, modify or vary any term of any such Purchased Asset or consent to the postponement of strict compliance with any such term or in any manner grant indulgence to any Mortgagor if in Servicer's reasonable and prudent determination such waiver, modification, postponement or indulgence is not materially adverse to Buyer or Buyer's interest in such Purchased Asset. All modifications, waivers, forbearances or amendments of any such Purchased Asset shall be in writing and shall be consistent with Accepted Servicing Practices. On each Interest Rate Adjustment Date, the Servicer shall make interest rate adjustments for each related adjustable-rate Mortgage Loan in compliance with the requirements of the related Mortgage, Mortgage Note and applicable federal, state and local laws and regulations. The Servicer shall execute and deliver the notices required by each Mortgage, Mortgage Note and applicable federal, state and local laws and regulations regarding interest rate adjustments.

(vi) Payment of Taxes, Insurance and Other Charges; Maintenance of PMI Policies; Collections Thereunder With respect to each such Purchased Asset (to the extent escrowed under the terms of such Purchased Asset), Servicer shall maintain accurate records reflecting the status of ground rents, taxes, assessments, water rates and other charges which are or may become a lien upon the Mortgaged Property and the status of private mortgage insurance policy premiums and fees and fire and hazard insurance coverage and shall obtain, from time to time, all bills for the payment of such charges, including insurance renewal premiums and shall effect payment thereof prior to the applicable penalty or termination date and at a time appropriate for securing maximum discounts allowable, employing for such purpose deposits of the Mortgagor held in trust accounts as escrow funds maintained by Servicer which shall have been estimated and accumulated by Servicer in amounts sufficient for such purposes, as allowed under the terms of the Mortgage and applicable federal, state and local laws and regulations. Servicer assumes full responsibility for the timely payment of all such bills and shall effect timely payments of all such bills irrespective of the Mortgagor's faithful performance in the payment of same or the making of the escrow payments and shall make Servicing Advances from its own funds to effect such payments.

(vii) Maintenance of Hazard Insurance. Servicer shall cause to be maintained for each such Purchased Asset fire and hazard insurance with extended coverage customary in the area where the Mortgaged Property is located by a Qualified Insurer in an amount which is at least equal to the lesser of (a) the full insurable value of the Mortgaged Property and (b) the outstanding principal balance owing on such Purchased Asset. If the Mortgaged Property is in an area identified in the Federal Register by the Federal Emergency Management Agency as a special flood hazard area (and such flood insurance has been made available) the Servicer will cause to be maintained a flood insurance policy meeting the requirements of the National Flood Insurance Program, in an amount representing coverage not less than the lesser of (A) the minimum amount required under the terms of the coverage to compensate for any damage or loss to the Mortgaged Property on a replacement-cost basis (or the outstanding principal balance of such Purchased Asset if replacement-cost basis is not available) or (B) the maximum amount of insurance available under the National Flood Insurance Program. Any amounts collected by the Servicer under any such policies (other than amounts to be deposited in trust accounts as escrow funds and

applied to the restoration or repair of the property subject to the related Mortgage or property acquired in liquidation of such Purchased Asset, or to be released to the Mortgagor in accordance with Accepted Servicing Practices) shall be deposited in the Nomura Account. All policies required hereunder shall be endorsed with standard mortgagee clauses with loss payable to Servicer, and shall provide for at least [\*\*\*] prior written notice of any cancellation, reduction in amount or material change in coverage to the Servicer. The Servicer shall not interfere with the Mortgagor's freedom of choice in selecting either its insurance carrier or agent; provided, however, that the Servicer shall not accept any such insurance policies from insurance companies unless such companies are Qualified Insurers.

(viii) Inspections. Servicer shall inspect the Mortgaged Property related to each such Purchased Asset as often as deemed necessary by the Servicer in accordance with Accepted Servicing Practices. In addition, the Servicer shall conduct subsequent inspections in accordance with Accepted Servicing Practices. Servicer shall keep a written report of each such inspection and shall provide a copy of such inspection to Buyer upon the request of Buyer.

(ix) Servicing Transfer Provisions. In the event that Buyer terminates Servicer's rights to service the related Purchased Assets in accordance with Section 17(f) of the Agreement, Servicer shall:

(A) Servicer shall discharge such duties and responsibilities during the period from the date it acquires knowledge of such termination until the effective date thereof with the same degree of diligence and prudence which it is obligated to exercise under the Agreement, and shall take no action whatsoever that might impair or prejudice the rights or financial condition of the Buyer or the successor servicer appointed pursuant to Section 17(f) of the Agreement;

(B) Servicer shall transfer the servicing with respect to the related Purchased Assets and prepare, execute and deliver, any and all related documents and other instruments, in the Servicer's possession, including all related Servicing Files, and do or accomplish all other acts or things necessary or appropriate to effect the purposes of such termination and related transfer of servicing, whether to complete the transfer and endorsement or assignment of the Purchased Assets and related documents or otherwise, at Seller's sole expense. Without limiting the generality of the foregoing, Servicer shall prepare, execute and deliver any and all documents and other such instruments, and do or accomplish all other acts or things necessary or appropriate to more fully and definitely vest and confirm in the successor servicer appointed pursuant to Section 17(f) of the Agreement all such responsibilities, duties and obligations of the Servicer as servicer, to complete the transfer and endorsement or assignment of the related Purchased Assets and related documents, if necessary, and to deliver to Buyer (or its designee) all contents of the related Servicing Files in the possession of the Servicer;

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(C) Servicer shall transfer to Buyer (or its designee) all cash amounts (if any) which shall at the time be credited by the Servicer and held in trust accounts as escrow funds or thereafter received with respect to the related Purchased Assets and Servicer shall account for all funds;

(D) Servicer will be responsible for notifying the related Mortgagors of any transfer of servicing in accordance with the requirements of the RESPA and the Cranston Gonzalez National Affordable Housing Act of 1990;

(E) Servicer will comply with all applicable federal, state and local laws and regulations with respect to servicing transfers, including the Consumer Financial Protection Bureau's rules and/or guidelines with respect to servicing transfers, including, without limitation, its Bulletin 2014-1 issued on August 19, 2014. Servicer will provide all reasonable cooperation and assistance as may be requested by Buyer in connection with compliance with such rules and/or guidelines. Further, the Servicer will cooperate after the applicable Servicing Transfer Date to promptly resolve all customer complaints, disputes and inquiries related to activities that occurred prior to such transfer date or in connection with the transfer of servicing; and

(F) With respect to each MERS Mortgage Loan, either (A) the Servicer shall, upon Buyer's request, cooperate with the successor servicer appointed pursuant to Section 17(f) of the Agreement in causing MERS to designate on the MERS System such successor servicer as the servicer of such Purchased Asset or (B) the Servicer shall, upon Buyer's request, cooperate with Buyer in causing MERS to execute and deliver an Assignment of Mortgage in recordable form to transfer the Mortgage from MERS to Buyer (which may be assigned in blank) and to execute and deliver such other notices, documents and other instruments as may be necessary or desirable to effect a transfer of such Purchased Asset or servicing of such Purchased Asset on the MERS System to such successor servicer.

~~RESERVED~~

THIRD PARTY WIRE INSTRUCTIONS

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Exh. E-1

## FORM OF SECTION 7 CERTIFICATE

Reference is hereby made to the Master Repurchase Agreement dated as of October 28, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), among Finance of America Mortgage LLC (the "Seller") and Nomura Corporate Funding Americas, LLC (the "Buyer"). Pursuant to the provisions of Section 7 of the Agreement, the undersigned hereby certifies that:

1. It is a \_\_\_ natural individual person, \_\_\_ treated as a corporation for U.S. federal income tax purposes, \_\_\_ disregarded for federal income tax purposes (in which case a copy of this Section 7 Certificate is attached in respect of its sole beneficial owner), or \_\_\_ treated as a partnership for U.S. federal income tax purposes (one must be checked).

2. It is the beneficial owner of amounts received pursuant to the Agreement.

3. It is not a bank, as such term is used in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), or the Agreement is not, with respect to the undersigned, a loan agreement entered into in the ordinary course of its trade or business, within the meaning of such section.

4. It is not a [\*\*\*] shareholder of Seller within the meaning of section 871(h)(3) or 881(c)(3)(B) of the Code.

5. It is not a controlled foreign corporation that is related to Seller within the meaning of section 881(c)(3)(C) of the Code.

6. Amounts paid to it under the Facility Documents are not effectively connected with its conduct of a trade or business in the United States.

[NAME OF UNDERSIGNED]

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, \_\_\_\_\_

**ASSET SCHEDULE FIELDS**

## Fields

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Original Balance  
Current Balance  
Interest Rate  
Execution Date  
Scheduled Funding Date  
Borrower 1 Income  
Borrower 1 FICO Score  
Borrower 2 Income  
Borrower 2 FICO Score  
Borrower 1 Employment Flag  
City  
County  
State  
Zip  
Current Appraisal Value  
AVM: Y/N  
BPO: Y/N  
Original Unpaid Principal Balance  
Origination Date  
Original Rate  
Original Term  
Current Unpaid Principal Balance  
Principal and Interest Payment  
Document Level Code  
First Due Date  
Lien Position  
Units  
Product Code  
Purpose Code  
Current LTV  
Current Combined LTV  
MERS Min  
MERS Interim Funder  
Occupancy Code  
Property Type Code

Exh. G-1

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Investor Code  
Refi Cashout Amt  
DU Response  
DU Case Number  
Mortgage Insurance Percentage  
Mortgage Insurance Company  
ARM—Index  
ARM—Initial Fixed Period  
ARM—Interest Rate Cap  
ARM—Margin  
ARM—Periodic Cap  
Purchase Price  
Paid To Date  
Maturity Date  
Amortization Term  
DTI Ratio  
F Score  
Loan Program  
Interest Only Term  
Tax Insurance Monthly Payment  
Servicer ID  
As Of Date  
Next Payment Due Date  
Balloon Flag  
Interest Only Flag  
Interest Rate Type  
Total Origination Points And Fees  
Junior Lien Balance  
Current Payment Status  
Pay String  
Appraisal Date  
AVM Date  
BPO Date  
Rented Flag  
Lifetime Minimum Rate  
First Rate Reset Date  
Next Rate Reset Date  
Months To First Rate Adjustment  
Subsequent Interest Rate Reset Period  
Cash Reserves  
Current FICO Date

Exh. G-2

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Market Rent  
Lease Rent  
Foreclosure Flag  
Bankruptcy Flag  
Bankruptcy Discharge Date  
Foreclosure Sale Date  
Short Sale Date  
Foreign National Flag  
Self Employed Flag  
Number Of Borrowers  
~~Prepayment Penalty Calculation~~  
~~Prepayment Penalty Total Term~~

Exh. G-3

**FORM OF ESCROW INSTRUCTION LETTER**

The escrow instruction letter (the "Escrow Instruction Letter") shall also include the following instruction to the Settlement Agent (the "Escrow Agent"):

Nomura Corporate Funding Americas, LLC (the "Buyer"), has agreed to provide funds ("Escrow Funds") to Finance of America Mortgage LLC (the "Seller") to finance certain mortgage loans (the "Mortgage Loans") for which you are acting as Escrow Agent.

You hereby agree that (a) you shall receive such Escrow Funds from Buyer to be disbursed in connection with this Escrow Instruction Letter, (b) you will hold such Escrow Funds in trust, without deduction, set-off or counterclaim for the sole and exclusive benefit of Buyer until such Escrow Funds are fully disbursed on behalf of Buyer in accordance with the instructions set forth herein, and (c) you will disburse such Escrow Funds on the date specified for closing (the "Closing Date") only after you have followed the Escrow Instruction Letter's requirements with respect to the Mortgage Loans. In the event that the Escrow Funds cannot be disbursed on the Closing Date in accordance with the Escrow Instruction Letter, you agree to promptly remit the Escrow Funds to the Buyer by re-routing via wire transfer the Escrow Funds in immediately available funds, without deduction, set-off or counterclaim, back to the account specified in Buyer's incoming wire transfer.

You further agree that, upon disbursement of the Escrow Funds, you will hold all Mortgage Loan documents specified in the Escrow Instruction Letter in escrow as agent and bailee for Buyer, and will forward the Mortgage Loan documents and original Escrow Instruction Letter in connection with such Mortgage Loans by overnight courier to the Custodian within [\*\*\*] following the date of origination.

You agree that all fees, charges and expenses regarding your services to be performed pursuant to the Escrow Instruction Letter are to be paid by Seller or its borrowers, and Buyer shall have no liability with respect thereto.

You represent, warrant and covenant that you are not an affiliate of or otherwise controlled by Seller, and that you are acting as an independent contractor and not as an agent of Seller.

The provisions of this Escrow Instruction Letter may not be modified, amended or altered, except by written instrument, executed by the parties hereto and Buyer. You understand that Buyer shall act in reliance upon the provisions set forth in this Escrow Instruction Letter, and that Buyer is an intended third party beneficiary hereof.

Whether or not an Escrow Instruction Letter executed by you is received by the Custodian, your acceptance of the Escrow Funds shall be deemed to constitute your acceptance of the Escrow Instruction Letter.

Exh. H-1

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NOMURA CORPORATE FUNDING  
AMERICAS, LLC, as Buyer

By: \_\_\_\_\_

Title: \_\_\_\_\_

FINANCE OF AMERICA MORTGAGE LLC,  
as Seller

By: \_\_\_\_\_

Title: \_\_\_\_\_

Exh. H-2

**RESERVED**

Exh. I-1

**FORM OF SELLER POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that FINANCE OF AMERICA COMMERCIAL, LLC ("**Seller**") hereby irrevocably constitutes and appoints Nomura Corporate Funding Americas, LLC ("**Buyer**") and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Seller and in the name of Seller or in its own name, from time to time in Buyer's discretion:

(a) in the name of Seller, or in its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any assets purchased by Buyer under the Master Repurchase Agreement (as amended, restated or modified) dated October 28, 2019 (the "**Assets**") and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Buyer for the purpose of collecting any and all such moneys due with respect to any other assets whenever payable;

(b) to pay or discharge taxes and liens levied or placed on or threatened against the Assets; and

(c) (i) to direct any party liable for any payment under any Assets to make payment of any and all moneys due or to become due thereunder directly to Buyer or as Buyer shall direct, including, without limitation, any payment agent with respect to any Asset; (ii) to send "goodbye" letters on behalf of Seller and Servicer; (iii) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Assets; (iv) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any Assets; (v) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Assets or any proceeds thereof and to enforce any other right in respect of any Assets; (vi) to defend any suit, action or proceeding brought against Seller with respect to any Assets; (vii) to settle, compromise or adjust any suit, action or proceeding described in clause (vi) above and, in connection therewith, to give such discharges or releases as Buyer may deem appropriate; and (viii) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Assets as fully and completely as though Buyer were the absolute owner thereof for all purposes, and to do, at Buyer's option and Seller's expense, at any time, and from time to time, all acts and things which Buyer deems necessary to protect, preserve or realize upon the Assets and Buyer's Liens thereon and to effect the intent of this Agreement, all as fully and effectively as Seller might do;

(d) for the purpose of carrying out the transfer of servicing with respect to the Assets from Seller to a successor servicer appointed by Buyer in its sole discretion and to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish such transfer of servicing, and, without limiting the generality of the foregoing, Seller hereby gives Buyer the power and right, on behalf of Seller, without assent by Seller, to, in the name of Seller or its own name, or otherwise, prepare and send or cause to be sent "good-bye" letters to all mortgagors under the Assets, transferring the servicing of the Assets to a successor servicer appointed by Buyer in its sole discretion;

Exh. J-1

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(e) for the purpose of delivering any notices of sale to mortgagors or other third parties, including without limitation, those required by law.

Seller hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

Seller also authorizes Buyer, from time to time, to execute, in connection with any sale, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Assets.

The powers conferred on Buyer hereunder are solely to protect Buyer's interests in the Assets and shall not impose any duty upon it to exercise any such powers.

TO INDUCE ANY THIRD PARTY TO ACT HEREUNDER, SELLER HEREBY AGREES THAT ANY THIRD PARTY RECEIVING A DULY EXECUTED COPY OR FACSIMILE OF THIS INSTRUMENT MAY ACT HEREUNDER, AND THAT REVOCATION OR TERMINATION HEREOF SHALL BE INEFFECTIVE AS TO SUCH THIRD PARTY UNLESS AND UNTIL ACTUAL NOTICE OR KNOWLEDGE OF SUCH REVOCATION OR TERMINATION SHALL HAVE BEEN RECEIVED BY SUCH THIRD PARTY, AND BUYER ON ITS OWN BEHALF AND ON BEHALF OF BUYER'S ASSIGNS, HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS ANY SUCH THIRD PARTY FROM AND AGAINST ANY AND ALL CLAIMS THAT MAY ARISE AGAINST SUCH THIRD PARTY BY REASON OF SUCH THIRD PARTY HAVING RELIED ON THE PROVISIONS OF THIS INSTRUMENT.

[REMAINDER OF PAGE INTENTIONALLY BLANK. SIGNATURES FOLLOW.]

Exh. J-2

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IN WITNESS WHEREOF Seller has caused this power of attorney to be executed and Seller's seal to be affixed this \_\_ day of \_\_\_\_\_, 2019.

FINANCE OF AMERICA MORTGAGE LLC (Seller)

By: \_\_\_\_\_  
Name:  
Title:

Exh. J-3



## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Patricia Cook, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 of Finance of America Companies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(c) and 15d-15(e)) and internal control over financing reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financing reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 16, 2021

/s/ Patricia Cook  
\_\_\_\_\_  
Patricia Cook  
Chief Executive Officer  
**(Principal Executive Officer)**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Johan Gericke, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 of Finance of America Companies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(c) and 15d-15(e)) and internal control over financing reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financing reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 16, 2021

/s/ Johan Gericke

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Johan Gericke  
Executive Vice President, Chief Financial Officer  
**(Principal Financial Officer)**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Finance of America Companies Inc. (the "Company") for the quarterly period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patricia Cook, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 16, 2021

/s/ Patricia Cook

Patricia Cook  
Chief Executive Officer  
**(Principal Executive Officer)**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Finance of America Companies Inc. (the "Company") for the quarterly period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Johan Gericke, Executive Vice President, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 16, 2021

/s/ Johan Gericke

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Johan Gericke  
Executive Vice President, Chief Financial Officer  
**(Principal Financial Officer)**