

Notice of Vendor Management Policy

This correspondence addresses Angel Oak Home Loans LLC (AOHL) Vendor Management Policy. AOHL provides Vendor Management oversight of closing and the Settlement Service Providers (SSP) for Angel Oak Mortgage Solutions LLC and Angel Oak Prime Bridge, LLC, collectively referred to as Angel Oak (AO), heretofore.

The purpose of this notice is as follows:

- Provide clarification regarding AO's position on the issuance of the Closing Disclosure.
- Set expectations regarding the role and partnership of the closing agent in the closing process while ensuring the requirements as set forth in the closing instructions are maintained.
- Establish AO requirements for approving and managing SSP
- Determine if any SSP and affiliated business arrangements exist.
- Offer suggestive best practices for approved SSP.

The CFPB requires lenders to obtain and ensure that all of their vendor service providers meet and maintain certain minimum standards. AO considers the role of the closing agent critical in collaborating with the lender to represent accuracy, preserve historical data integrity, combat fraud and misrepresentation, and exercise legal prowess and expertise when preparing and consummating loan documents and mortgage closings. We support the client's choice for their title and settlement services, as long as that choice enables us to consistently meet all applicable State, Federal and AO'S requirements.

Closing Disclosure¹:

AO will be responsible for issuing the CD to the consumer. The CD will be issued at a minimum of 3 business days prior to consummation. AO expects the collaboration of the closing agent in ensuring *both* accurate fees and a timely response for issuance of the CD inclusive of but not limited to the following:

- Tax proration's/assessments
- Real Estate Commissions
- Payoffs/liens/judgement or satisfaction amounts
- HOA fees due and payable
- Estoppel letter charges
- Recording fees
- Capital contributions
- Seller fees

It is imperative to receive a timely response for any assistance in reviewing and finalizing CD fees. Full cooperation will ensure a positive client experience.

The provision for the CD to be provided to the seller will reside with the SSP.

1 Angel Oak Prime Bridge, LLC operates as commercial lender and is not subject to TILA-RESPA; Angel Oak Mortgage Solutions LLC operates a Correspondent channel for which approved Correspondent clients are permitted to issue the Closing Disclosure as the originator of their transaction

SSP Approval:

All SSPs must be approved prior to closing a loan with AO. All Agent requirements must be reviewed annually at minimum by AO. AO must have the following items for review and maintenance:

- Current Business License for all active offices (if required by state)
- Professional Liability Insurance (E&O) with endorsement of coverage for acting as title/escrow including the following criteria:
 - Declaration page with signature of insuring representative (binder not acceptable)
 - Attorney or firm name and address
 - Valid effective/expiration dates
 - Policy number
 - E& O Liability coverage of at least \$1,000,000
- Most recent copy of your firm's self-assessment with identified action plans, if available
- Disclosure (current list) of any affiliated business arrangements your company may have with other settlement service providers. For example, disclosure of common ownership interests amongst other title insurers, lenders, real estate service providers, etc. where referral of services may provide one or all of the companies a financial or other benefit. If not applicable, please provide an attestation on company letterhead to this effect. Email confirmation will also be acceptable.

AO reserves the right to audit any approved SSP with reasonable notice at any time during the calendar year. Components of such audit requests may include relevant areas of ALTA Best Practices: licensing, escrow accounting, privacy and security measures, settlement policies, title policy production, insurance coverage, and consumer complaints. Although ALTA Best Practices Certification is not a requirement for AO Closing Agent Approval, we do expect your company to have completed a self-assessment and addressed any identified gaps.

It is essential for you as our Vendor Service Provider to understand AO's expectations and regulations so that together we can consistently deliver high levels of quality and service to our customers. Please have an officer or managing partner of your company acknowledge receipt of this notice and return for our records as soon as possible. We thank you in advance for your cooperation and look forward to building a strong partnership.

Sincerely,

Angel Oak Home Loans LLC-
Lending Services and AO Compliance Divisions



Acknowledgement Statement

By signing below, I _____, acknowledge receipt and review of the above Vendor Management Notice issued by AOHL. I further confirm that I am duly authorized to provide acknowledgement and acceptance of such notice on behalf of _____.

Signature

Date

Title

Compliance/Closepin/VSP NoticeAMSK 3.26.18

