



Loan Servicing Operations

SOC 1 Report

**A Service Auditors' Report on the
Description of the System,
and the Suitability of the Design and
Operating Effectiveness of Controls**

**For the Period December 1, 2022 to
November 30, 2023**



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Section I

Independent Service Auditors' Report



INDEPENDENT SERVICE AUDITORS' REPORT

To the Management of RoundPoint Mortgage Servicing LLC,

Scope

We have examined RoundPoint Mortgage Servicing LLC's ("RoundPoint's" or the "Company's") description of its loan servicing operations system titled, "Description of RoundPoint Mortgage Servicing LLC's Loan Servicing Operations System" during the period December 1, 2022 to November 30, 2023 (description) and the suitability of the design and operating effectiveness of RoundPoint's controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in the "Assertion by Management of RoundPoint Mortgage Servicing LLC" (assertion). The controls and control objectives included in the description are those that management of RoundPoint believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects that are not likely to be relevant to user entities' internal control over financial reporting.

RoundPoint uses subservice organizations in the management of its loan servicing operations system. The description includes only the control objectives and related controls of RoundPoint and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by RoundPoint can be achieved only if complementary subservice organization controls assumed in the design of RoundPoint's controls are suitably designed and operating effectively, along with the related controls at RoundPoint. Our examination did not extend to controls of the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of RoundPoint's controls are suitably designed and operating effectively, along with related controls at RoundPoint. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

The information included in Section V, "Other Information Provided by the Service Organization (Unaudited)," is presented by RoundPoint's management to provide additional information and is not a part of RoundPoint's description of its loan servicing operations system made available to user entities during the period December 1, 2022 to November 30, 2023. Information included in Section V, specifically management's responses to exceptions noted, has not been subjected to the procedures applied in the examination and accordingly, we express no opinion on it.

Service Organization's Responsibilities

In Section II, RoundPoint has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. RoundPoint is responsible for preparing the description and for the assertion, including the completeness, accuracy, and method of presentation of the description and assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed to achieve the related control objectives stated in the description.

Service Auditors' Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented, and the controls were suitably designed to achieve the related control objectives stated in the description during the period December 1, 2022 to November 30, 2023. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

The following control activity was included in Section IV; New vendors providing services relevant to the defined scope of services are reviewed in accordance with internal policies and procedures and all requirements are maintained and approved prior to acceptance. However, this control did not operate as there were no new vendors providing services relevant to the defined scope of services during the period December 1, 2022 to November 30, 2023. Because this control did not operate during the period, we were unable to test, and therefore unable to conclude on the operating effectiveness of this control.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of the service organization's controls involves the following:

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description, suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization in its assertion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

Description of Tests of Controls

The specific controls tested and the nature, timing, and results of those tests are listed in Section IV of this report.

Opinion

In our opinion, in all material respects, based on the criteria described in RoundPoint's assertion:

- a. the description fairly presents the loan servicing operations system that was designed and implemented during the period December 1, 2022 to November 30, 2023.
- b. the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively during the period December 1, 2022 to November 30, 2023, and the subservice organizations and user entities applied the complementary controls assumed in the design of RoundPoint's controls during the period December 1, 2022 to November 30, 2023.
- c. the controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period December 1, 2022 to November 30, 2023, if complementary subservice organization and user entity controls assumed in the design of RoundPoint's controls operated effectively during the period December 1, 2022 to November 30, 2023.

Restricted Use

This report, including the description of tests of controls and results thereof in Section IV, is intended solely for the information and use of RoundPoint, user entities of RoundPoint's loan servicing operations system during the period December 1, 2022 to November 30, 2023, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

SC+H Attest Services, P.C.

SC&H Attest Services, P.C.
Sparks, Maryland
January 16, 2024

Section II

Assertion by Management of RoundPoint Mortgage Servicing LLC



Assertion by Management of RoundPoint Mortgage Servicing LLC

We have prepared the description of RoundPoint Mortgage Servicing LLC's ("RoundPoint's" or the "Company's") loan servicing operations system titled "Description of RoundPoint Mortgage Servicing LLC's Loan Servicing Operations System" (description) for user entities of the system throughout some or all of the period December 1, 2022 to November 30, 2023, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities of the system themselves, when assessing the risks of material misstatements of user entities' financial statements.

RoundPoint uses subservice organizations in the management of its loan servicing operations system. The description includes only the control objectives and related controls of RoundPoint and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified in the description can be achieved only if complementary subservice organization controls assumed in the design of our controls are suitably designed and operating effectively, along with the related controls. The description does not extend to controls of the subservice organizations.

The following control activity was included in Section III; New vendors providing services relevant to the defined scope of services are reviewed in accordance with internal policies and procedures and all requirements are maintained and approved prior to acceptance. However, this control did not operate as there were no new vendors providing services relevant to the defined scope of services during the period December 1, 2022 to November 30, 2023.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of RoundPoint's controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of the user entities.

We confirm, to the best of our knowledge and belief, that:

1. the description fairly presents RoundPoint's loan servicing operations system made available to user entities of the system throughout some or all of the period December 1, 2022 to November 30, 2023 as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description:
 - a. presents how the system made available to user entities of the system was designed and implemented to process relevant transactions, including, if applicable;
 - i. the types of services provided, including, as appropriate, the classes of transactions processed.

- ii. the procedures, within both automated and manual systems, by which those services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities of the system.
 - iii. the information used in the performance or the procedures, including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.
 - iv. how the system captures and addresses significant events and conditions, other than transactions.
 - v. the process used to prepare reports and other information for user entities.
 - vi. the services performed by subservice organizations, if any, including whether the carve-out method or the inclusive method has been used in relation to them.
 - vii. the specified control objectives and controls designed to achieve those objectives, including, as applicable, complementary user entity controls assumed in the design of the controls.
 - viii. other aspects of our control environment, risk assessment process, information and communication systems (including the related business processes), control activities, and monitoring activities that are relevant to the services provided.
 - b. includes relevant details of changes to RoundPoint's system throughout the period covered by the description.
 - c. does not omit or distort information relevant to the service organization's system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their user auditors and may not, therefore, include every aspect of the system that each individual user entity of the system and its auditor may consider important in its own particular environment.
2. the controls related to the control objectives stated in the description were suitably designed and operating effectively throughout the period December 1, 2022 to November 30, 2023 to achieve those control objectives if the subservice organizations and user entities applied the complementary controls assumed in the design of RoundPoint's controls throughout the period December 1, 2022 to November 30, 2023. The criteria we used in making this assertion were that:
- a. the risks that threaten the achievement of the control objectives stated in the description have been identified by management of the service organization.
 - b. the controls identified in the description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved.
 - c. the controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.


Nathan Bouch r

Nathan Bouch r
Executive Vice President, General Counsel

Section III

Description of RoundPoint Mortgage Servicing LLC's Loan Servicing Operations System

Overview of Services Provided

RoundPoint Mortgage Servicing LLC (“RoundPoint” or the “Company”) is a national mortgage servicer specializing in innovative solutions for servicing residential mortgages. It provides value to its diverse client base by managing complex servicing relationships. Effective October 2023, RoundPoint became a wholly owned subsidiary of Matrix Financial Services Corporation.

RoundPoint designed internal loan servicing operations to provide customer service and default management capabilities addressing the needs of its borrowers. RoundPoint manages servicing requirements of loans involved in loss mitigation, including options for borrowers affected by COVID-19. RoundPoint holds licenses required to service single-family residential mortgage loans in all fifty states, the District of Columbia, and the United States Virgin Islands, and the licenses required to originate in forty-nine states, the District of Columbia, and the United States Virgin Islands. RoundPoint maintains the necessary approvals to service mortgage loans owned by Fannie Mae (“FNMA”), and Freddie Mac (“FHLMC”) (collectively, the Government Sponsored Entities (“GSEs”)), as well as loans guaranteed or insured by the Federal Housing Administration (“FHA”), the Department of Housing and Urban Development (“HUD”), the Veteran’s Administration (“VA”), and the United States Department of Agriculture (“USDA”) (collectively, the “Agencies”). RoundPoint is an approved servicer for both government-sponsored entities and maintains market-leading expertise in servicing loans in accordance with their respective guidelines. The majority of RoundPoint's servicing portfolio is GSE loans.

As of November 30, 2023, RoundPoint’s total servicing portfolio consisted of approximately 675,890 loans with an Unpaid Principal Balance (“UPB”) on the underlying loans of approximately \$164 billion. RoundPoint’s subserviced portfolio consisted of approximately 663,000 GSE-owned loans, 36 Agency guaranteed loans, as well as, 12,977 other non-Agency and non-GSE loans.

RoundPoint’s headquarters, located in Fort Mill, South Carolina, houses the majority of the loan servicing operations. As of November 30, 2023, RoundPoint’s staff was comprised of approximately 401 total full-time equivalent (“FTE”) employees.

The scope of the SOC1 examination covered by this report includes all transactions related to all loans serviced by the organization between December 1, 2022 and November 30, 2023.

Relevant Aspects of the Overall Control Environment

RoundPoint has an effective internal control system ensuring timely, accurate, and complete compliance with all applicable laws, regulations, rules, and requirements. RoundPoint demonstrates its commitment to strong controls by its policies, procedures, methods, and organizational structure. The following is a description of the multi-layered components of RoundPoint’s internal control systems.

Organizational Structure

The Board of Directors ("Board") is responsible for providing governance, direction, and oversight of RoundPoint's operations. RoundPoint has instituted a three-tiered approach to its control structure:

1. Individual Business Units
2. Compliance, Risk Management, Human Resources, Finance, and Legal Departments
3. Internal Audit ("IA") Department

To ensure compliance with laws, rules, and regulations, the Board directed management to implement a Compliance Management System ("CMS"), which defines the responsibilities of management, employees, and third-party organizations in developing processes. The CMS reflects a culture which promotes the detection, prevention, and resolution of circumstances posing an unacceptable business risk to RoundPoint, or which do not conform to laws, regulations, or established policies and procedures. The CMS describes the role of RoundPoint's General Counsel as possessing the necessary authority to execute the CMS.

RoundPoint achieves a strong control environment by establishing specific responsibilities in each of the three lines of defense:

1. Tier One – The lines of business monitor and execute the day-to-day execution of controls embedded in operational decisions. Their responsibility is to identify, evaluate, mitigate, and escalate the risks associated with business processes and execution.
2. Tier Two – The Compliance, Risk Management, Human Resources, Finance, and Legal Departments maintain appropriate documentation, as well as, control mechanisms in all areas of the Company. They monitor new risks and vulnerabilities and ensure business leaders take appropriate action to address them.
3. Tier Three – IA assesses RoundPoint's risks, evaluates the design of controls, and tests existing operations effectiveness of controls.

The General Counsel oversees RoundPoint's control environment regarding risk and compliance matters with potential impact on business operations, financial performance, and/or the reputation of the Company. The General Counsel's responsibilities include:

- Staying abreast of new laws and regulations impacting the Company's activities and operations, communicating those new requirements to relevant stakeholders, and overseeing the implementation of new processes and controls within the lines of business.
- RoundPoint's Quality Control Program ("QCP") monitors, evaluates, and improves the integrity of the servicing portfolio and processes. The General Counsel reviews reports generated under this program and the current processes for risks, controls, and compliance with rules, regulations, policies, and procedures.
- Provide oversight to ensure the control environment is effective in preventing and detecting control breakdowns and/or violations of policies, procedures, and regulatory requirements by employees, officers, directors, and other agents and associates of RoundPoint.

RoundPoint makes reasonable efforts to ensure third-party organizations operate in a manner which supports the Company's control environment and commitment to compliance. The Vendor Management Department manages third-party organizations in accordance with policies and procedures that detail the selection, assessment, and oversight of these organizations. In addition,

RoundPoint maintains a Vendor Management Committee to ensure appropriate information about the performance of third-parties is effectively communicated to senior management.

Monitoring

RoundPoint implemented a QCP to evaluate servicing processes and ensure compliance with federal, state, agency, and investor requirements and guidelines, and related policies and procedures. The QCP meets the following goals:

- Ensuring compliance with rules, regulations, investor requirements, and GSE and Agency guidelines;
- Protecting borrowers, investors, the GSEs, Agencies, and RoundPoint from unacceptable risks;
- Guarding against errors, omissions, and fraud; and
- Ensuring swift and appropriate corrective action, where necessary.

The QCP is separate from the general servicing functions and possesses detailed knowledge of the servicing guidelines issued by the GSEs and Agencies. To ensure RoundPoint meets quality control standards, RoundPoint uses a comprehensive set of tools to report actionable feedback to senior management. Upon completion of each quality review, senior managers receive a summary report containing the number of uncured findings and error rates. Senior management receives reports on the status of corrective action plans, timelines for issue resolution, and planned follow-up activities on quarterly control findings. Separately, the IA function assesses risks, evaluates the design of controls, and tests the operating effectiveness of controls throughout the organization. The Board reviews and approves the IA plan based on the annual risk assessment process. RoundPoint has an independent external auditor that reviews the Company's compliance with regulatory servicing standards and audits its financial statements.

Risk Assessment

The IA Department conducts an entity-wide risk assessment on an annual basis, which supports the development of the IA plan. The purpose of the IA plan is to identify all risks which could potentially prevent RoundPoint from achieving its objectives. RoundPoint uses a risk model to assess the risks in each of its business units. The risk assessment process includes interviews with and input from leaders throughout RoundPoint, but the risk levels and inherent and residual risks are independently assessed by IA.

Information and Communication

RoundPoint uses various methods of communication, enabling employees to carry out their responsibilities and ensure timely communication of significant events. This process includes the following forms of communication:

- The documented CMS details the responsibilities of the Board and employees for communications related to compliance and risk matters;
- RoundPoint gives leadership direct access to the Board and regularly updates the Board on escalated areas of risk, compliance reporting, and internal audit results;

- RoundPoint makes policies and procedures, the creation and publication of which is overseen by the Compliance Department, available to all employees;
- RoundPoint reports operational incidents to select executives, covering incidents with a financial, reputational, regulatory, processing, and/or technology risk; and
- RoundPoint holds regular meetings with Vice Presidents and above to ensure proper communication of updates.

Control Objectives and Description of Controls

Loan Servicing Operations Departments and Functions

Client Relations

RoundPoint's Client Relations ("CR") Department is the primary point of contact between the Company and its clients. CR assures senior management authorization for the terms of loan subservicing agreements and correct implementation of those terms (*Control Objective 1*). CR's responsibilities include:

- Reviews and approves operational setup of new clients and agreements with investors, including amendments;
- Identifies and communicates changes in client servicing requirements throughout the Company, as appropriate; and
- Updates changes to the terms of agreements with clients including wire transfer instructions for remittances which is documented in the Client Procedure Attestation of Changes form, which is communicated to the clients for confirmation.

Loan Boarding

The Loan Boarding Team ("LB Team") uses detailed procedures to ensure complete and accurate data is boarded to the servicing system of record (*Control Objective 2*). A Servicing Transfers Team member establishes the loan boarding requirements and instructions with the prior servicer, investor, and RoundPoint's applicable Departments. A Loan Boarding Data Analyst performs a data validation and reconciliation of the data tape provided by the originator or prior servicer to clear critical exceptions. RoundPoint documents, addresses, and resolves exceptions before management approves loans for boarding.

The Servicing Transfer Team uses a project plan and checklist during the loan boarding process to ensure completion of all required steps. RoundPoint runs all loan information through a pre-boarding system to identify crucial exceptions before processing loans. After satisfactory validation of preliminary data, RoundPoint boards the new loans into the production environment using final data, including unpaid principal balances, escrow, suspense items, and recoverable corporate advances. The LB Team completes a post-boarding reconciliation to verify the accuracy and completeness of loans boarded to the servicing system of record. RoundPoint researches and resolves all unreconciled items.

The Service Transfer Team forwards applicable bankruptcy, foreclosure, and loss mitigation information received from the prior servicer to the appropriate Department. The LB Team assists the bankruptcy, foreclosure, and loss mitigation teams in mapping and boarding their relevant data to

the system of record. Post boarding, the bankruptcy department completes a scrub of bankruptcies and the Special Loans Team reviews Service Members' Civil Relief Act ("SCRA") loans for accuracy. RoundPoint completes cash reconciliations, receives cash to fund escrow and suspense funds, and the Investor Reporting Team assigns permanent investor codes to each loan. Welcome letters are sent to the borrowers within 15 days of the effective date of transfer.

Loan Admin conducts post-boarding file reviews to ensure accurate data boarding to the servicing system of record through a comparison of defined data elements from the imaged file to the boarded data. The Loan Admin Team completes a full review to identify loans with missed or incomplete documentation, then researches and resolves errors, as applicable.

Additionally, Loan Admin performs a multi-level review of loan data for adjustable interest rates (adjustable-rate mortgages ("ARM")), step-rates, and home equity lines of credit ("HELOC") to compare the servicing system of record data to the note or modification documentation by the Special Loans Team before validating the loan for ongoing servicing.

Cash Management

The Cash Management ("CM") Department processes inbound cash and records loan payments completely and accurately in the servicing system of record (*Control Objective 3*). RoundPoint receives loan payments and loan payoffs through checks, Automated Clearing House ("ACH"), and wire transfers. RoundPoint processes checks via a lockbox service through one of the Company's financial institutions. The servicing system of record automatically allocates loan payments using a pre-defined sequence based on the loan setup within the application, which is consistent with the loan agreement and applicable laws. RoundPoint applies payments received in the following order: past due payments, late charges, recoverable corporate advances, fees, and principal balances. Partial payments are held in suspense when the account is delinquent, and the amount is less than a full contractual payment.

After processing payments within the servicing system of record, RoundPoint deposits the funds into a payment clearing bank account. CM balances posted payments against the bank deposit. Each business day, the Cash Supervisor reviews the reconciliation of the cash receipts from the servicing system of record to the cash receipts from the bank. Additionally, CM logs and remediates variances and escalates payment exceptions to appropriate Departments to assist in the identification of the money received or to obtain acceptance instructions. Once resolved, CM applies the items to the servicing system of record, with the effective date as the date of receipt. If the item remains unresolved for five days, CM returns the funds to the sender. If payments received do not clear the client's account due to non-sufficient funds or other return reasons, CM reverses the funds from the servicing system of record within two business days.

Disbursements

In the normal course of business RoundPoint disburses cash for multiple loan servicing operations purposes, including items such as escrow payments, servicing advances, and expenses associated with default servicing, and real estate owned. Due to the specific nature of the different forms of disbursements and segregation of duties considerations, multiple Departments perform these tasks

to provide reasonable assurance of servicing related disbursements accuracy, completeness, and approval before payment (*Control Objective 4*).

Escrow

RoundPoint maintains escrow accounts for most loans it services. Escrow accounts contain borrower funds held in the borrower's name to pay obligations such as property taxes and insurance premiums.

RoundPoint outsources property tax monitoring for all loans in the servicing portfolio to a third-party service provider, CoreLogic. RoundPoint receives daily notifications of property tax obligations due in the near term and processes payments for these items. To ensure payment in a timely manner, the Escrow Department creates the Tax Control Report on a weekly basis by blending data from the servicing system of record and CoreLogic. The Tax Control Report identifies any loans with untimely payments of property taxes. Escrow researches and resolves loans identified in the report.

RoundPoint outsources monitoring and payment of insurance premiums for all loans in the servicing portfolio to a third-party service provider, National General Lending Services. RoundPoint facilitates management oversight through numerous performance and control reports, monthly vendor scorecard, annual site visit, and a review of the SOC1 report from the respective service provider.

Escrow Analysis

RoundPoint performs an analysis at least annually for each loan with an escrow account. The analysis determines whether expected funds are sufficient to cover property taxes, mortgage insurance, and insurance premiums as they come due. RoundPoint reviews projected escrow surpluses and shortages in excess of limits defined by Escrow Management prior to generating the escrow analysis, a copy of which is sent to the borrower. If the escrow analysis calculates an excess of funds over \$50, and the account is current, the servicing system of record automatically generates a surplus check. If there is a shortage of funds over \$50, RoundPoint increases the borrower's monthly payment to ensure availability of sufficient funds to meet both past increases and estimated future obligations. Escrow Management reviews a sample of loans daily to validate the accuracy of the escrow analysis.

Servicing Advances

In accordance with GSE and Agency guidelines and servicing agreements, RoundPoint makes certain disbursements with its own funds when borrower funds are not available. RoundPoint refers to these disbursements as servicing advances. There are two different types of servicing advances: Escrow Advances and Corporate Advances.

The most common type of servicing advance is an escrow advance, which occurs when a borrower's escrow account has insufficient funds to cover a required payment of a loan-related obligation, such as property taxes or hazard insurance premiums. The servicing system of record automatically generates a servicing advance transaction to fund the disbursement and updates the loan records with the additional amount due. The disbursement may be made with no or limited availability of

borrower funds. RoundPoint processes corporate advance transactions in accordance with authorized limits outlined by management.

RoundPoint configured the servicing system of record to ensure servicing advances are only submitted to vendors established within the servicing system of record. RoundPoint restricts permissions for creation and modification of vendors within the servicing system to specific employees. Furthermore, all servicing advance disbursement requests must be approved through a transaction approval process, relying on an authorization matrix. Authorized employees review and approve payments of servicing advances, which are facilitated through a digital signature on all checks. As a fraud mitigation measure on disbursements, RoundPoint implemented positive pay on the bank account used for loan servicing disbursements. RoundPoint transmits details of all disbursements to the bank, who in turn performs a three-tier validation of the check number, the amount, and the payee before honoring items presented for payment. RoundPoint researches and resolves exceptions, as necessary. RoundPoint performs a quarterly bank account access review to ensure account access is appropriate.

Call Center

The Call Center assists with borrower inquiries at any stage in the life cycle of a loan. The Call Center uses software to route inbound calls to appropriately address borrower requests.

RoundPoint conducts outbound call campaigns based on loan delinquency as an initial effort to minimize delinquency rates. These efforts meet requirements set forth by the GSEs and Agencies, as well as any specific instructions provided by the owner/investor of the loans. Outgoing calls are placed within the requirements of the Fair Debt Collection Practices Act (“FDCPA”) as required.

The Call Center verifies the borrower or authorized third-parties identity at the beginning of any dialogue. Before releasing loan information to a third-party, RoundPoint receives either a verbal authorization from an authenticated borrower to speak with a third-party or a completed third-party authorization form signed by the borrower.

Call Center management performs monthly reviews to ensure the Call Center Specialists’ efforts comply with RoundPoint’s policies and procedures. The Compliance Department utilizes in-house Quality Control Auditors to review a sample of recorded phone calls on a weekly basis. The Quality Control Auditor ensures compliance with regulatory, Agency, GSE requirements, and RoundPoint’s policies and procedures. The Call Center Management Team regularly reviews the campaign waterfall and automated dialer logic to ensure loans are monitored in accordance with the Company’s policies and procedures.

Correspondence

RoundPoint logs and acknowledges inbound correspondence within five business days of receipt. Inbound correspondence includes qualified written requests, notices of error, requests for information, credit bureau reporting issues, and other written complaints/requests received via Consumer Financial Protection Bureau (“CFPB”) Portal, Better Business Bureau (“BBB”) Portal, mail, fax, and email. Correspondence is resolved in coordination with the appropriate Department

according to the nature of the request. In addition, the Correspondence Department places applicable stops on the account while the issue is investigated.

RoundPoint utilizes the servicing system of record and SharePoint to record communications and track the response and resolution status. The Correspondence Department resolves all correspondence within thirty business days in accordance with applicable laws and regulations. RoundPoint flags priority responses, such as loans with a scheduled foreclosure sale date, notices of error related to payoff statements, and owner/assignee requests. Once resolved, RoundPoint marks the correspondence file complete and the response to the customer is imaged in the document repository, the servicing system of record is updated, and applicable stops are removed from the account.

Loss Mitigation

RoundPoint's loss mitigation process begins once the borrower verbally requests loss mitigation assistance, submits a loss mitigation application, or is solicited for a loss mitigation workout. The Loss Mitigation Department's controls ensure delinquent loan servicing activities are accurate, timely, and appropriately approved, when necessary (*Control Objective 5*).

To support loss mitigation operations, the Department uses a third-party loss mitigation system for managing workflow, workflow exceptions and completing loss mitigation waterfall evaluations. Loss mitigation consists of four operational functions:

1. Single Point of Contact ("SPOC"): Segmented by portfolio-specific teams to yield agent expertise on assigned portfolio guidelines and requirements. Each loan serviced by RoundPoint has a SPOC assigned to ensure compliance with the Real Estate Settlement Procedures Act ("RESPA") Continuity of Contact Requirement and a seamless transfer once the loss mitigation process begins.
2. Application Processing: The Application Processing Team is segmented into two groups: Application Intake and Loss Mitigation Processing.
 - The Application Intake Team reviews new loss mitigation applications and sends written acknowledgment letters to the borrowers in accordance with RESPA's Loss Mitigation Rules. They also complete the initial loss mitigation evaluation of borrowers who have submitted a completed application.
 - The Loss Mitigation Processing Team reviews and completes the initial loss mitigation evaluation of borrowers who have verbally requested assistance.
 - Both teams utilize the same loss mitigation decisioning tool to ensure the evaluation is performed in accordance with investor/Agency guidelines
3. Loss Mitigation Quality Assurance: Every application evaluation (approval or denial) undergoes a rigorous second-level review by the Loss Mitigation Quality Assurance Team to ensure each loss mitigation application evaluation is accurate and conforms to applicable agency, insurer, or loan owner's guidelines. The Loss Mitigation Quality Assurance Team reviews the borrower's hardship, income, expenses, and collateral eligibility/ineligibility for the applicable loss mitigation workouts.

4. Loss Mitigation Fulfillment: The Loss Mitigation Fulfillment Team generates and completes a quality review of the approved loss mitigation agreements before delivering to borrowers. Additionally, the Loss Mitigation Fulfillment Team manages the recordation of loan modification and deed-in lieu of foreclosure agreements.

Loss Mitigation Solicitation Process:

The Loss Mitigation Department's policies and procedures prescribe proactive solicitation to borrowers for loss mitigation assistance in accordance with the RESPA Early Intervention Rules and investor/agency guidelines, to include:

- RoundPoint sends loss mitigation solicitation letters to borrowers by the 45th day of delinquency and no more than every 180th day thereafter; and
- Loss mitigation solicitation letters sent to borrowers who filed bankruptcy.

The Loss Mitigation Department's controls ensure that delinquent loan servicing complied with RESPA's Early Intervention Rules and Investor/Agency Loss Mitigation Solicitation Guidelines through:

- Daily automated and logic-based portfolio scrub for loans eligible to receive a loss mitigation solicitation letter; and
- Daily control report to ensure eligible loans are not solicited by the automated portfolio scrub receive a loss mitigation solicitation letter.

Loss Mitigation Application Evaluation/Agreement Quality Process:

The Loss Mitigation Department analyzes completed loss mitigation applications, including borrower financial statements, hardship letters, and other supporting documentation, using third-party software to determine the most appropriate workout solution in accordance with applicable investor/agency guidelines. This third-party software is also leveraged in situations where the request for loss mitigation assistance was received verbally and documents are not required. To ensure each review and approved workout agreement is accurate, RoundPoint implemented the following procedures and controls:

- Loss Mitigation Quality Assurance associate completes a rigorous second-level review on 100% of all completed loss mitigation application evaluations to ensure accuracy and applicability before issuing evaluation approval (workout approval or denial);
- Based on investor/agency workout approval delegation parameters, the Quality Assurance Team obtains the investor/agency approval;
- RoundPoint outsources the creation of loan modification and deed-in-lieu of foreclosure agreements to a vendor/law firm to ensure accuracy and reduce risk associated document preparation; and
- Cash Management reviews all final modifications/liquidations and loss mitigation underwriting worksheets and approvals for each loan modification or liquidation transaction (short payoff, short sale, or deed-in-lieu of foreclosure).

Loss Mitigation and Foreclosure Dual Track Prevention Process:

RoundPoint's loss mitigation workflow complies with the RESPA requirements related to postponing foreclosure activities during the loss mitigation evaluation process. In situations where the borrower

applies for loss mitigation assistance shortly before a foreclosure sale date, the Loss Mitigation Team conducts an accelerated, best-efforts review. If RoundPoint approves a loss mitigation workout before the scheduled foreclosure sale, the Foreclosure Department will hold or postpone the foreclosure action to ensure the borrower is provided the opportunity to cure the default. The Loss Mitigation Quality Assurance Supervisor reviews and approves all borrower loan modification appeals.

Default Servicing – Foreclosure

RoundPoint has robust controls in place to ensure accurate and timely completion throughout the foreclosure process. Foreclosure referral occurs on all eligible loans after the 121st day of delinquency, but no later than the 125th day of delinquency. RoundPoint thoroughly reviews all eligible loans to verify loss mitigation/bankruptcy activity and Federal Emergency Management Agency (“FEMA”) eligibility (*Control Objective 6*).

Each account goes through a two-level review, utilizing a Referral Recommendation checklist. This process includes a review of the collateral file, loss mitigation, collection activity, and investor-specific criteria. Once the loan is deemed eligible for referral, the loan information is updated in the servicing system of record and is referred to a foreclosure attorney or trustee. The Foreclosure Department performs a loan level review on every active (non-suspended) foreclosure to ensure that there are no controllable delays.

The attorney or trustee continues the foreclosure process in accordance with applicable federal, state, and local laws, insurer requirements, and investor guidelines. Notices are sent to the borrower as required, and the sales information is communicated to RoundPoint. The Foreclosure Team completes a two-level review of pre-sale certifications and foreclosure bids based on investor authorization or delegation before all foreclosure sales.

If the investor is the successful bidder, foreclosure counsel files all applicable legal documents and no funds are exchanged. The Asset Management Team reviews the foreclosure deed for accuracy and completeness. If a third-party is the successful bidder, RoundPoint liquidates the account. Upon foreclosure liquidation, the Asset Management Department reconciles cash proceeds received to verify accuracy.

Default Servicing – Bankruptcy

RoundPoint has an automated process of receiving and processing notices of bankruptcy filings and pleadings through Accurant, a LexisNexis program, which maps data into the servicing system of record. RoundPoint identifies new bankruptcy filings daily, through various means including review of docket activity reports for the loan portfolio, receipt of a 341(a) notice, receipt of bankruptcy petitions, telephone calls from the prior servicer, debtor, or debtor’s attorney, and new loan boarding notifications from the prior servicer.

The Bankruptcy Department assigns an attorney to each case who completes all required court filings including, proof of claim, bankruptcy notices, motions for relief, transfers of claim, and any other necessary documentation. A loan level audit is conducted every 30 days on the bankruptcy population to verify bankruptcy activities comply with RoundPoint’s policies and procedures.

Additionally, the Bankruptcy Team reviews the exception report daily to ensure timely filings and proper coding within the servicing system of record after a bankruptcy discharge relief is granted, or a dismissal is received. The Bankruptcy team completes a final Account Reconciliation checklist and updates the servicing system of record accordingly upon resolution of the bankruptcy.

Real Estate Owned (“REO”) Management

The REO Department boards applicable properties into the REO system of record within two business days of completing a deed-in-lieu of foreclosure or a foreclosure sale to the owner of the loan. The REO Department manages applicable loans through final liquidation. RoundPoint accurately records REO property data within the servicing system of record. In addition, before the completion of a sale, RoundPoint reviews and approves all applicable information and documentation. The REO Department monitors a daily REO Reconciliation report to ensure accurate recording in the servicing system of record for all REO properties (*Control Objective 7*).

The Foreclosure Department assesses the occupancy status of each property within the redemption period. RoundPoint pursues all options to accelerate the vacancy of the property, including eviction, former occupant relocation, 'cash for deed,' or 'cash for keys'.

The Property Preservation Department maintains the interior and exterior of a property to ensure maximum financial recovery upon liquidation. The REO Department coordinates actions such as payment of utilities, payment of homeowner association (“HOA”) fees, property rehabilitation, safety repairs, addressing any code violations, vacant property registration, recurring yard maintenance, property winterization, etc. Additional actions include ordering and reviewing title reports to determine the marketability of the assets and clearing any title issues before the closing of the liquidation sale. RoundPoint facilitates payments through the Black Knight Invoice Management system. The Invoice Management system enables input of expense requests from both RoundPoint employees and agents. RoundPoint has appropriate authorization levels within the Invoice Management system to prevent unauthorized expense reimbursement. The Quality Assurance Team ensures accurate and timely processing.

The REO Department obtains and considers the appropriate number of property valuations, unless otherwise directed through investor guidance. At a minimum, RoundPoint obtains one broker’s price opinion (“BPO”) from the listing agent of record; however, additional third-party values may be ordered as directed. The REO Department obtains an opinion of the property value and marketing strategy from the real estate agent assigned to list the property and reviews all values and strategies before writing an Initial Marketing Plan for the investor’s review. The REO Department presents the Initial Marketing Plan to the investor for approval, or, if delegated with the appropriate authority, RoundPoint ensures proper evaluation of the property valuation and listing price of the REO asset. RoundPoint identifies variances in value and returns the valuation products to the broker or third-party vendor for additional research when necessary. The REO Department coordinates with the Cash Department on wire transfer details after closing, images all applicable documentation, and updates the servicing system of record.

Investor Reporting

RoundPoint outsources investor reporting functions to a third-party service provider, Preferred Mortgage Services, Inc. (PMSI). PMSI reconciles custodial accounts, prepares remittances, and provides loan level reporting, and resolves reporting rejects as required by GSE servicing guidelines (*Control Objective 8*). PMSI prepares outgoing wire requests, which are reviewed, approved, and subsequently completed by the Treasury Department. RoundPoint facilitates management oversight through control oversight reports, GSE scorecards, annual site visits, and a review of the SOC1 report from the respective service provider.

Client Billing

The Client Billing Department completes a monthly settlement with each of the Company's subservicing clients. Client Billing maintains a Client Fee Schedule based on the terms of the servicing agreement to ensure accurate calculation of the economics of the portfolio for settlement with the client. RoundPoint updates the schedule when adding new investors and when modifying contracts. The billing system receives data from the servicing system of record and the data warehouse to create a monthly invoice. RoundPoint reconciles invoice data on the general ledgers to capture cash flow activity and allowable servicing fees, where applicable. RoundPoint investigates variances for remediation or documents the account with an explanation in the monthly client billing package. The Client Billing Manager reviews client billing packages for completeness and accuracy on a monthly basis. RoundPoint corrects or provides an explanation where there are discrepancies. After completion, RoundPoint sends the monthly settlement reports to the subservicing clients.

The amount of the remittance calculated by the monthly settlement reports is wire transferred after payment authorization. The Treasury Department processes approved wire transfer requests

As per investor guidelines, custodial accounts are reconciled monthly to maintain the principal and interest collections as well as the servicing related accounts holding the escrows to verify portfolio cash flow activity. Finally, RoundPoint reconciles accounts on the general ledger monthly according to the Company's Account Reconciliation Policy. An appropriate member of management reviews and approves each reconciliation in a timely manner.

Administrative Departments and Functions

Human Resources

The Human Resources ("HR") Department manages all employee related activities within RoundPoint, including Talent Acquisition, Talent Management (Performance Management, Learning and Development, Leadership Development, Organizational Planning and Readiness), Employee Relations, HR Compliance, Compensation, Payroll and Benefits, and Employee Experience/Engagement. RoundPoint implemented controls to complete pre-screenings for new hires before beginning employment with the Company and that all full-time employees complete required training (*Control Objective 9*).

Offers of employment are contingent upon the satisfactory completion of a pre-employment background screening. All RoundPoint new hires and contractors complete a pre-screening before beginning employment with RoundPoint. Specifically, this screening includes credit and criminal

background checks. HR reviews the results of the background checks to determine final employment eligibility.

Training

The Learning and Development Department coordinates the training provided to new and tenured employees to ensure compliance with applicable federal, state, and local laws, as well as insurer and investor guidelines. RoundPoint requires that all full-time employees complete required training.

Learning and Development creates and updates training curriculum and materials, as necessary, and tracks employee progress toward completion of training requirements. Training is available to employees through classroom and computer-based training sessions. Employees receive credit for related professional training completed outside the Company.

RoundPoint has internally defined employee training requirements. The new hire training program consists of a cohort program focusing on Company culture, the fundamentals of mortgage basics, in-depth job-specific training, job shadowing/mentoring and all required risk/compliance training. All new associates participate in the Company's cohort training program and must complete a minimum of 80 hours of training during their first 90 days of employment. All Officers are required to complete a minimum of 45 hours of training during their first 90 days of employment. Requirements are dependent on the functional area and additional hours could be required. After the initial cohort program, associates who work in customer facing Departments, complete additional training within their respective Department. This job-specific training varies between a blended approach which could include online, classroom, and side-by-side training. Associates are required to complete 20 hours of training after their first 90 days of employment and every year thereafter. Officers are required to complete 20 hours of training after their first 90 days of employment and every year thereafter.

Information Systems

The Information Systems ("IS") Department is comprised of Information Technology ("IT") and Information Security Operations functions, which include infrastructure management, information security, service delivery, and IT Service Desk support.

The IS Department has a comprehensive set of documented policies which include, but not limited to, user provisioning, information security, information ownership, firewall management, electronic mail, and change management.

RoundPoint's primary operating system for loan servicing operations is the servicing system of record Black Knight Director 7 ("Director 7") which supports all key servicing functions. Black Knight Servicing Technologies ("BKFS") owns the Director 7 application. BKFS also owns the LoanSphere application which serves as the Company's Invoicing System for processing REO expenses. RoundPoint accesses Director 7 and LoanSphere through a hosted environment from a BKFS data center in Jacksonville, Florida.

Other applications hosted in the US East Region of Microsoft Azure include the general ledger and financial reporting systems, network share drives, the email exchange server, and other non-key systems used by various Departments. The data warehouse is cloud hosted by Microsoft Azure.

RoundPoint maintains a data warehouse system to store loan-level transactional data and other information. Each day Director 7 is automatically updated with information from the previous business day. The data warehouse is populated through automated processes from multiple sources including the servicing system of record, payment services via Black Knight, 24-Asset, RES.NET, and data feeds from third-party systems. RoundPoint routinely uses the data warehouse for daily reporting and analysis and augments reports produced directly from the servicing system of record. Reporting from the servicing system of record is further supplemented by the Online Computer Information Exchange (OCIE) application. RoundPoint images and digitally stores loan documents and written correspondence using a proprietary application.

Information Technology – Logical Access

The IT Department manages logical access to RoundPoint's network and critical applications. Controls ensure access to the Company's network, the servicing system of record, and the Invoicing System is restricted to authorized personnel (*Control Objective 10*). The User Access Management (UAM) Team processes approved access and termination requests through service tickets using Service Now, a hosted tool for recording and tracking all requests.

RoundPoint controls access to the Company's network, the servicing system of record, and the Invoicing System through unique user identifications ("IDs") and passwords. Cisco firewalls, routers, switches, and a Virtual Private Network (VPN) govern network access. The network, which is the first level of authentication required for access to the servicing system of record and the Invoicing System, requires user passwords have specific attributes including passwords of a minimum length, numeric and special characters, forced periodic changes, and account lockout after unsuccessful login attempts. Administrative access requires a separate unique ID and password to the network, to the servicing system of record, and the Invoicing System. The IT Department restricts authorized members.

HR initiates requests to add new users and modify the access of existing users to the network, to the Invoicing System, and to the servicing system of record. HR documents approvals in an IT Service Request Ticket.

The servicing system of record has numerous roles to determine what data the user can access and what functions the user can perform. HR utilizes role-based access groups to limit user access to certain individuals, commensurate with their job responsibilities.

Once the applicable member of management approves the IT Service Request Ticket, the Security Administrator grants the requested privileges using security group templates. IT updates the Service Desk ticket with the status. After IT establishes the requested user access, the Security Administrator sends an email to the requestor containing the unique user ID, and temporary password information and a request to test the access modification. Once successfully completed, IT closes the IT Service Request Ticket.

IT logs the Windows Server administrator activity for research. Members of the IT Department receive an automated email when irregular activity is identified. IT investigates and resolves irregular activity, as necessary. Script Logic Desktop Authority and Active Directory Admin as well as Microsoft logging perform a security and information event management. Additionally, RoundPoint

uses Cisco AMP for endpoint protection, Symantec, Rapid 7, Solarwinds, and PRTG software to perform network monitoring and vulnerability scans. In addition, RoundPoint performs third-party external penetration testing on an annual basis.

The VPN software and remote hardware controls remote access by requiring a unique user ID, password, and DUO multi-factor authentication (“MFA”) token to gain access to the online systems.

RoundPoint requires an IT Service Request Ticket for any access modification. IT obtains applicable manager approval before making any changes. The IT Service Request Ticket is closed once IT completes a modification.

When employee terminations occur, HR sends an email to the UAM Team. The UAM Team disables/deletes the user accounts for terminated employees within one business day.

Information Systems – Data Backup

RoundPoint performs data backups of the data warehouse, the network drives, the email exchange server, the Invoicing System, the general ledger and financial reporting systems, and other systems used by various Departments. Black Knight backs up the servicing system of record software and data. Controls ensure the servicing system of record and operating system are backed-up (*Control Objective 11*). The IT Department performs daily, weekly, and monthly production backup jobs by executing, monitoring, and tracking through completion based on a predefined schedule. On a daily basis, RoundPoint performs incremental backups on scheduled production servers according to documented backup procedures. COHESITY automates and encrypts backups.

The IS Team reviews all backup completion reports performed. Only authorized personnel may restart, troubleshoot, or perform other measures as appropriate to resolve a failed backup job.

IS backs up all servers on a weekly basis according to the documented backup procedures. Additionally, the IS Team reviews all backup completion reports performed.

The Company uses a cloud-based server.

Information Technology – Program Management

While BKFS administers change management for the servicing system of record and Invoicing System, the Company’s Program Management and IT Departments coordinate the application portion of strategic client service initiatives including developing scripts to optimize the use of the servicing system of record and other systems. RoundPoint utilizes production Change Requests to document change requests, testing, and approval before implementation into the production environment.

Security – Physical Access to Company Facilities

The use of building access cards control access to RoundPoint facilities. Management must approve access before issuance. Upon termination, RoundPoint revokes and/or disables building access cards within one business day. Visitors and non-Company employees must provide photo identification and register with the security desk. A RoundPoint employee escorts visitors and non-Company employees, when applicable.

Vendor Management

RoundPoint establishes standards designed to ensure that third-party organizations operate in a manner which supports the Company's control environment and commitment to compliance. The Vendor Management Team manages third-party organizations in accordance with policies and procedures that detail the selection, assessment, and oversight of these organizations (*Control Objective 12*). The Vendor Management Department works with the line of business owners to ensure that appropriate information about the performance of third-parties is effectively communicated to senior management. Among its responsibilities the Vendor Management Department:

- Provides oversight over the attorney, and vendor management functions to ensure compliance with RoundPoint's third-party oversight policies and procedures;
- Reviews and monitors third-party vendor performance using scorecards as appropriate;
- Reviews and appropriately addresses any third-party concerns; and
- Evaluates all third-parties, new and current, for potential risks (strategic, operational, and financial) as appropriate.

As part of initial vetting of a vendor, RoundPoint performs vendor due diligence commensurate with the risk tiering assigned to such vendor in accordance with applicable policies. For all vendors relevant to the defined scope of services, a manager or above member from the Vendor Management Team completes an annual review of the respective SOC report(s), if one exists.

Subservice Organizations

RoundPoint's hired subservicing organizations to perform certain administrative and operational functions. Services provided by these organizations support the design and operation of control objectives. The description of the system of controls within this report include policies, procedures, and control objectives at RoundPoint, but does not include policies, procedures, and control objectives at any of the third-party subservice organizations listed below. The independent service auditor's examination does not include the policies, procedures, or control objectives of any subservicing organization. The table below shows the subservicing organizations used by the Company during the reporting period.

Subservice Organization	Service Provided	Associated Control Objective
Black Knight Servicing Technologies, LLC ("BKST")	Owns the mortgage servicing applications (MSP, LoanSphere, and Director 7) used by the Company to service loans. Provides hosting services and controls change management of the applications. Performs backups of the applications and loan level data created by the Company through the normal course of business.	Control Objective 2 Control Objective 3 Control Objective 4 Control Objective 5 Control Objective 6 Control Objective 7 Control Objective 8 Control Objective 10 Control Objective 11
CoreLogic	Provides monitoring services for property taxes for loans serviced by the Company.	Control Objective 4

Subservice Organization	Service Provided	Associated Control Objective
National General Lender Services	Provides monitoring and payment services for hazard insurance policies for loans serviced by the Company.	Control Objective 4
Amazon Web Services ("AWS")	Provides a subscription based on-demand cloud computing platform.	Control Objective 11
Microsoft Azure	Operates cloud hosting for the Company's data warehouse and hosting of critical servers.	Control Objective 11

RoundPoint identified the following control which monitors all subservice organizations:

- RoundPoint reviews the latest applicable SOC report(s) annually and ensures the implementation of relevant complementary use entity controls. A member of management appropriately reviews exceptions for potential impact.

Complementary User Entity Controls

RoundPoint designed processes with the assumption that certain controls would be implemented by user organizations. In certain situations, the application of specific controls at user organizations is necessary to achieve the control objectives included in this report.

The table below highlights those internal control responsibilities which RoundPoint believes should be present for each user organization as they complement the design and operation of certain control objectives within the servicing system of record. RoundPoint considered these responsibilities in developing its control policies and procedures as described in this report.

In order for users to rely on the control structure's policies and procedures, each user must evaluate its internal control structure to determine if the following procedures are in place. The following list of control policies and procedures is meant to only address the policies and procedures surrounding communications between the Company and each user entity. Furthermore, this list is not intended to be a complete listing of the control policies and procedures that provide a basis for the assertions underlying the financial statements of the user entities.

Complementary User Entity Control	Applicable Control Objective
Controls should be established to ensure that instructions and information provided to the Company from user organizations are in accordance with the provisions of the servicing agreements and other applicable governing agreements or documents between the Company and the user organization.	Control Objective 1 Control Objective 2 Control Objective 5 Control Objective 6 Control Objective 7 Control Objective 8

Complementary User Entity Control	Applicable Control Objective
Controls should be established to ensure that individuals providing instructions to the Company are properly authorized.	Control Objective 1 Control Objective 2 Control Objective 5 Control Objective 6 Control Objective 7 Control Objective 8
Controls should be established to ensure that access to confidential information provided by the Company is restricted to authorized individuals and vendors.	Control Objective 4 Control Objective 5 Control Objective 6 Control Objective 7
Controls should be established to ensure that access rights to loan documents are properly controlled.	Control Objective 2 Control Objective 5 Control Objective 6 Control Objective 7
Controls should be established to ensure that mortgagor documents are properly endorsed and/or are assigned to protect the rights of the user organization.	Control Objective 5 Control Objective 6 Control Objective 7
Controls should be established to ensure mortgagor documents are enforceable under the law and that the loans were originated in compliance with all applicable laws.	Control Objective 2 Control Objective 5 Control Objective 6 Control Objective 7
Controls should be established to ensure that loan setup data provided to the Company is accurate and complete and is delivered in a timely manner.	Control Objective 2
Controls should be established to ensure that accurate tax and insurance information is provided to the Company in a timely manner.	Control Objective 4
Investors are required to set up delegated authorities for sales of real estate property owned or are responsible for approving each sale of real estate property owned if delegated authority is not in place.	Control Objective 7
Controls should be established to ensure that new and modified reports prepared by the Company are reviewed for accuracy and completeness.	Control Objective 1 Control Objective 8
Controls should be established to ensure that proper controls exist at the user organization for restricting access to remittances received from the Company.	Control Objective 8
Controls should be established to ensure that the review of reports and statements provided by the Company regarding account balances and related activity is performed by the user organization on a timely basis and that notice is promptly provided to the Company, if discrepancies are identified.	Control Objective 1 Control Objective 8
Controls should be established to ensure that reports provided by the Company are reconciled by the user organization to its internal records.	Control Objective 8

Section IV

Control Objectives, Related Controls, Testing of Controls, and Results

Tests of Design and Operating Effectiveness

Our examination of the design and operating effectiveness of certain controls of RoundPoint Mortgage Servicing LLC (“RoundPoint” or the “Company”) was restricted to the control objectives and related policies and procedures specified by RoundPoint in Section III of this report.

Our tests of controls included such tests as were considered necessary in the circumstances to evaluate whether those controls, and the extent of compliance with them, was sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were addressed throughout the period December 1, 2022 to November 30, 2023. In selecting particular tests of the design and operating effectiveness of the controls, we considered: (a) the nature of the controls being tested; (b) the types and competence of available evidential matter; (c) the nature of the control objectives to be achieved; and (d) the expected efficiency and effectiveness of the test. To aid in concluding on the fairness of the description and operating effectiveness of controls, testing included inquiry of the individual(s) responsible for the control(s). While inquiries were performed throughout the audit, they were not listed individually for every control included in Section IV.

Test procedures performed in connection with determining the design and operating effectiveness of illustrative control activities detailed in the matrices in this section are described below.

Test Procedure	Description
Inspection	Inspected documents and records indicating performance of the control activities. This includes, among other things: <ul style="list-style-type: none">• Examination of source documentation and authorizations;• Examination of documents or records for evidence of performance and authorization (e.g., existence of initials or signatures);• Examination of system configuration and settings;• Examination of user listings; and• Inspection of the Company’s system documentation, such as operation manuals, policies and procedures documentation, system flowcharts, and system audit logs.
Observation	Observed the application or existence of specific control structure policies and procedures as represented. This includes: <ul style="list-style-type: none">• Observations of personnel in performance of their assigned duties;• Observations of control activity existence; and• Observations of various system tasks performed by Company personnel.
Inquiry	Inquired of appropriate personnel. Inquiries seeking relevant information or representation from personnel were performed to obtain, among other things: <ul style="list-style-type: none">• Knowledge and additional information regarding the control activity;• Understanding of the Company’s organizational structure, including segregation of functional responsibilities, policy statements, processing manuals; and• Corroborating evidence of the policy or procedure.

Our procedures were performed in accordance with Statement on Standards for Attestation Engagements No. 18, AT-C Section 105, *Concepts Common to All Attestation Engagements*, AT-C Section 205, *Assertion-Based Examination Engagements*, and; AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting*, issued by the Auditing Standards Board of the American Institute of Certified Public Accountants.

Investor Agreements

Control Objective 1: Controls provide reasonable assurance that the terms of loan servicing agreements between the Company and the owners of loans serviced by the Company are authorized by the appropriate level of management and correctly implemented.

Control Key	Control Activity	Tests Performed	Results
1.1	Agreements with investors and any amendments to agreements with investors are reviewed and approved by the appropriate level of management.	For a sample of new and/or amended agreements, inspected the executed agreement to validate that the appropriate level of management's approval exists.	No exceptions noted.
1.2	Changes to the terms of agreements with active subservicing clients with more than 100 loans, including wire transfer instructions for remittances, are documented in a Client Procedure Attestation of Changes Form (or client requested format). The information is communicated to the subservicing client for confirmation on a monthly basis.	For a sample of subservicing clients, inspected the Client Procedure Attestation of Changes Form and corresponding e-mail for a sample of months to validate that the information was communicated to the subservicing client for confirmation.	No exceptions noted.

Loan Boarding

Control Objective 2: Controls provide reasonable assurance that the loans in the servicing portfolio and their data elements are tracked in the Servicing System accurately and completely.

Control Key	Control Activity	Tests Performed	Results
2.1	A Servicing Transfers Team Member performs a reconciliation to ensure the accuracy and completeness of the loans prior to the final data load. Loan information is reconciled to the data tape provided by the counterparty or prior servicer. Discrepancies are investigated and resolved.	For a sample of loan acquisitions, reperformed the reconciliation between the original data tape and the SSI Output to validate that the total number of loans matched between the original third-party source and system data prior to the final data upload.	No exceptions noted.
		For a sample of loans, re-performed the reconciliation between the original data tape and the SSI Output to validate that the data matched between original third-party source and system data prior to the final data upload.	No exceptions noted.
2.2	The loan boarding application will not process the boarding of any loans with critical exceptions identified.	Observed the loan boarding application configurations to validate that the application was configured to automatically reject from boarding any loans where critical exceptions were present.	No exceptions noted.
2.3	A post board reconciliation process is performed to the system of record. The report from this process is reviewed by a Servicing Transfer Team Member. Any exceptions are identified and resolved.	For a sample of loans, inspected the RECON1 status within MSP to validate that the reconciliation process was completed and that all exceptions were cleared prior to final loan onboarding in the Servicing System.	No exceptions noted.
2.4	Post-boarding systemic data validation is conducted to help ensure that accurate data has been boarded to the Servicing System through a comparison of data points on loan document images to data values from the system of record. Loans where there is a mismatch of data points, are identified, researched, and resolved as necessary.	For a sample of loans, inspected the post-boarding systematic data validation to validate that the comparison was conducted.	No exceptions noted.
		Re-performed the automated loan validation process to validate that exceptions were automatically identified and communicated to the Company for research and resolution.	No exceptions noted.

Loan Payments

Control Objective 3: Controls provide reasonable assurance that loan payments are recorded completely and accurately in the Servicing System.

Control Key	Control Activity	Tests Performed	Results
3.1	All automated payment methods rely on predefined logic to allocate the payments to the various loan balances in the system.	Observed the Servicing System settings (pre-defined sequence of payee setup within the MSP application) to validate that the system was configured to automatically allocate loan payments using a pre-defined sequence based on the payee logic setup instructions.	No exceptions noted.
		Selected one loan payment to validate that the loan payment was allocated in accordance with the predefined sequence.	No exceptions noted.
3.2	Each business day, the Cash Supervisor reviews the reconciliation of the cash receipts for the Servicing System to the cash receipts from the bank. Variances are logged and remediated.	For a sample of days, inspected the Daily Balancing Spreadsheets, including who performed the review and the date performed, to validate the Cash Supervisor reviewed the reconciliation timely.	No exceptions noted.
		For a sample of days, inspected reconciliation to validate that sufficient documentation existed supporting the resolution of any discrepancies identified during the review.	No exceptions noted.

Disbursements

Control Objective 4: Controls provide reasonable assurance that servicing related disbursements are accurate, complete and approved as necessary prior to payment.

Control Key	Control Activity	Tests Performed	Results
4.1	The Tax Automated Reporting ("TAR") Report is created on a daily basis by the Escrow Department based on information from the third-party service provider (CoreLogic). The TAR Report identifies property tax obligations on the loans in the servicing portfolio for research and resolution. The CoreLogic Digital Tax Portal identifies property tax obligations on the loans in the servicing portfolio for research and resolution.	For a sample of days, inspected evidence to validate that tax obligations were presented and worked within the CoreLogic Digital Tax Portal for property tax tracking, research, and resolution.	No exceptions noted.
		Inspected the procedural documents to validate the research and resolution of property tax obligations based on information provided by CoreLogic.	No exceptions noted.
4.2	The Tax Control Report is a spreadsheet created on a weekly basis by the Escrow Department blending data from the Servicing System and the third-party service (CoreLogic). The Tax Control Report identifies any loans where property taxes need to be paid. Any loans identified on the report are researched and resolved.	For a sample of weeks, inspected the Tax Control Report to validate it was created, and reviewed, and that tasks were initiated, as necessary.	No exceptions noted.
4.3	The Company has outsourced to a third-party service provider (National General) the monitoring of hazard insurance premiums on the loans in the servicing portfolio. Management oversight is facilitated through review of the SOC1 report from the service provider.	Inspected evidence to validate management's review of the SOC report for National General Lender Services as well as the associated bridge letter(s) to ensure appropriate scope and coverage throughout the period under audit, including mapping of user controls and analysis of noted exceptions.	No exceptions noted.
4.4	Creation and modification of vendors within the Servicing System is restricted to specific employees. Servicing advances can only be made to vendors that have been setup within the Servicing System.	Reviewed a system generated listing of Servicing System roles to validate that access to create and modify vendors was appropriately restricted.	No exceptions noted.
		Observed vendor setup configurations to validate that the system is programmed to prevent creation	No exceptions noted.

Control Key	Control Activity	Tests Performed	Results
		or modification of a vendor master file without the appropriate authorization level within the system.	
		Observed the servicing advance process to validate that the Servicing System will not process an advance request where the vendor has not been established in the system.	No exceptions noted.
4.5	Approval is required for corporate disbursement requests processed through direct payment (check, wire, ACH) in accordance with authorized limits outlined by management.	For a sample of corporate disbursements, inspected evidence to validate that the corporate disbursement request received the level of management approval as defined within the applicable policies, that the amount of the disbursement was equal to the amount of the request and supporting documentation, and that the vendor was setup within the system prior to payment.	Exceptions noted. For 5 out of 25 corporate disbursements selected for testing, the disbursement was not approved by the appropriate level of management as defined within the applicable policies. See Section V for management's response to exceptions noted.
4.6	Approval is required for servicing advance disbursement requests processed through Invoice Management in accordance with authorized limits outlined by management.	For a sample of corporate servicing advance disbursements, inspected evidence to validate that the servicing advance disbursement received the proper level of management approval as defined within the applicable policies, that the amount of the disbursement was equal to the amount of the request and supporting documentation, and that the vendor was setup within the system prior to payment.	No exceptions noted.
4.7	Approval is required for escrow disbursement wire requests in accordance with authorized limits outlined by management.	For a sample of days, inspected the wire to validate approval occurred in accordance with the authorized limits outlined by management.	No exceptions noted.
4.8	For loans in foreclosure, the Invoice Management system is programmed so that it will not process a	Observed the Invoice Management system settings to validate that the system is automatically programmed to prevent processing of an REO	No exceptions noted.

Control Key	Control Activity	Tests Performed	Results
	REO expense reimbursement if the user does not have the appropriate authorization level within the system.	expense reimbursement if the user does not have the appropriate authorization level within the system.	
4.9	Payment of servicing advances made via check are approved by authorized employees and the checks are printed with the appropriate authorized signatures.	Observed the system to validate that it applied an authorized signature image on a check as it was printed.	No exceptions noted.
		For a sample of corporate servicing advance disbursements, inspected evidence to validate that the servicing advance disbursement received the proper level of management approval as defined within the applicable policies, that the amount of the disbursement was equal to the amount of the request and supporting documentation, and that the vendor was setup within the system prior to payment.	No exceptions noted.
4.10	The Company has implemented Positive Pay, a fraud mitigation service, on the bank account used for loan servicing disbursements.	Inspected evidence from the respective loan servicing bank account to validate Positive Pay was used and was in place during the examination period.	No exceptions noted.
4.11	A bank account access review is performed quarterly to help ensure that access is appropriate.	For a sample of quarters, inspected evidence that the bank account access level review was completed to validate bank account access remained appropriate.	Exception noted. For 1 out of 2 quarters selected for testing, a bank account access review was not completed. See Section V for management's response to exception noted.

Loss Mitigation

Control Objective 5: Controls provide reasonable assurance that delinquent loan servicing activities are accurate, timely, and appropriately approved, when necessary.

Control Key	Control Activity	Tests Performed	Results
5.1	On a daily basis, members of the Loss Mitigation Management Team review the Loss Mitigation exception reports to help ensure that Loss Mitigation solicitation packages and other subsequent solicitation efforts (acknowledgement, evaluation) are sent to borrowers timely.	For a sample of days, inspected evidence to validate that members of the Loss Mitigation Management Team received the Loss Mitigation exception reports for review.	No exceptions noted.
5.2	A quality review is performed on workout solutions prior to borrower execution to help ensure their accuracy, completeness, and compliance with investors' guidelines.	For a sample of loans, inspected evidence to validate that a documented quality review was performed on workout solutions prior to borrower execution.	No exceptions noted.
5.3	For each applicable loss mitigation transaction, investor approval is obtained in accordance with investors' guidelines and delegations of authority.	For a sample of loss mitigation loan modifications, inspected evidence to validate investor approval was obtained in accordance with investors' guidelines and delegations of authority.	No exceptions noted.
5.4	For each loss mitigation transaction, members of the Cash team review all final modifications and the loss mitigation underwriting worksheets and approvals upon completion of the modification updates.	For a sample of perm and liquidated loan modifications, inspected evidence to validate that required loss mitigation approval procedures were performed for final modification/liquidation transactions.	No exceptions noted.
5.5	Borrower appeals to loan modifications are reviewed and approved by the Quality Assurance Manager.	For a sample of borrower appeals, inspected evidence to validate that the loan modification was reviewed and approved by the Quality Assurance Manager.	No exceptions noted.

Foreclosure and Bankruptcy

Control Objective 6: Controls provide reasonable assurance that default servicing activities (events) are monitored for completeness, timeliness, and appropriate approval, when necessary.

Control Key	Control Activity	Tests Performed	Results
6.1	On a daily basis, the Default Servicing report is generated by the Servicing System identifying all loans for which foreclosure related activities should commence. The report is reviewed to determine which properties meet the foreclosure referral criteria.	For a sample of days, inspected the Default Servicing reports to validate that the report was generated and worked.	No exceptions noted.
6.2	The Default Servicing Department performs loan level audit review on every loan where active (non-suspended) foreclosure related activities were commenced to confirm that there are no controllable delays.	For a sample of loans active in foreclosure, inspected the approved foreclosure recommendation, to validate that the NOTS (notes) field was populated in MSP to indicate that the Quality Assurance review was performed.	No exceptions noted.
6.3	Foreclosure bids are completed timely and accurately and approved based on investor authorization or delegated authority.	For a sample of foreclosure loans, inspected the foreclosure bid and the associated investor approval to validate that foreclosure bids are approved in accordance with investor authorization or delegated authority.	No exceptions noted.
6.4	The Default Servicing group reconciles cash proceeds received from foreclosure liquidations to verify accuracy.	For a sample of completed foreclosures to third parties, inspected the MSP Task screen to validate that the cash proceeds were reconciled to the approved bid.	No exceptions noted.
		For a sample of completed foreclosures to third parties, inspected evidence to validate that the cash proceeds agreed to the amount of the approved bid or delegated authority.	No exceptions noted.

Real Estate Owned (REO)

Control Objective 7: Controls provide reasonable assurance that REO properties are recorded accurately within the Servicing System and that REO sales are reviewed and approved prior to completion of the sale.

Control Key	Control Activity	Tests Performed	Results
7.1	On a daily basis, REO staff are responsible for boarding REO assets based on the applicable milestone taking place the prior business day. The applicable REO manager ensures, at a minimum of weekly, that all REO assets have properly been boarded into the REO Vendor System. A reporting of the reconciled REO assets are maintained into a repository daily.	For a sample of days, inspected evidence to validate reconciliation and timely boarding of REO assets into the Servicing System.	No exceptions noted.
7.2	REO sales are reviewed and approved prior to the completion of the sale based on delegated authority from investors. If delegated authority is in place, offer approval is based on the defined authority matrix. If delegated authority is not in place, the offer is sent to the investor for approval.	For a sample of REO sales, inspected evidence to validate that the REO was reviewed and approved prior to completion of the sale based on the corresponding delegated authority from investors, the defined authority matrix, or approved by the investor.	No exceptions noted.

Cash Remittance and Management Reporting

Control Objective 8: Controls provide reasonable assurance that cash remittances and management reports (including lender transaction reports, investor reports, and monthly servicing reports) are complete and accurate.

Control Key	Control Activity	Tests Performed	Results
8.1	An Investor Fee Schedule is maintained based on the servicing agreement to ensure that investor fees are accurately calculated for remittance. The schedule is updated when new investors are added and when contracts are modified.	Inspected the Investor Fee Schedule to validate existence.	No exceptions noted.
		For a sample of new and/or amended agreements, inspected the Investor Fee Schedule to validate inclusion and agreement of terms.	No exceptions noted.
8.2	The monthly investor reporting package includes automated error checks to ensure that cash flow activity and allowable base servicing fees are reconciled to monthly loan activity and are within tolerable limits. Variances are investigated and remediated where applicable or are documented with an explanation.	For a sample of months, inspected evidence to validate the presence of automated error checks and resolution or documentation of any identified errors.	No exceptions noted.
8.3	On a monthly basis, the monthly investor reporting package is reviewed by the Investor Reporting Manager or above for completeness and accuracy. Any discrepancies are investigated and remediated where applicable or are documented with an explanation.	For a sample of months, inspected the investor reporting package to validate that it was reviewed by an appropriate member of management.	No exceptions noted.
8.4	On a monthly basis, the amount of the remittance calculated by the monthly investor reporting package is transferred to a wire transfer request and authorized prior to payment.	For a sample of months, inspected evidence to validate inclusion of approved wire transfer prior to payment, if funds are owed.	No exceptions noted.
8.5	On a monthly basis, accounts on the general ledger trial balance that are directly related to loan servicing activities are reconciled in accordance with the Company's Account Substantiation policy. Each reconciliation is approved by the appropriate member of management, in accordance with policy.	For a sample of months, inspected the account reconciliation summary to validate accounts that were directly related to loan servicing activities were completed in accordance with policy.	Exception noted. For 1 out of 3 months selected for testing, we noted that certain general ledger reconciliations that were directly related to

Control Key	Control Activity	Tests Performed	Results
	Reconciling items are researched and resolved in a timely manner.		<p>loan servicing activities were not completed within one month following month-end, as required within the Account Substantiation Policy.</p> <p>See Section V for management's response to exceptions noted.</p>
		For a sample of months, inspected the account reconciliation summary to validate accounts that were directly related to loan servicing activities were reviewed and approved by an appropriate level of management, in accordance with policy.	No exceptions noted.

Hire and Training Requirements

Control Objective 9: Controls provide reasonable assurance that Company new hires are prescreened prior to beginning employment with the Company and that full-time Company employees complete required training.

Control Key	Control Activity	Tests Performed	Results
9.1	Company new hires and contractors are pre-screened prior to beginning employment with the Company.	For a sample of new hires and newly onboarded contractors, inspected evidence to validate that the new hires and contractors were pre-screened prior to the start of employment/ contract.	No exceptions noted.
9.2	The Company has internally defined employee training requirements. The training requirements are based on the employee's position. Newly hired employees are required to complete a minimum requirement of a combination of mortgage operations and compliance training upon hire. When necessary, requests for extensions or to be excused from the required training are requested by completing the extension / excused request approval form. The approval form is electronically signed by the employee's SVP, the SVP of HR, and the line of business executive leader.	For a sample of new hires, inspected evidence to validate that the new hire completed compliance and mortgage training timely and in line with training matrix.	No exceptions noted.
9.3	The Company has internally defined employee training requirements. The training requirements are based on the employee's position. Full-time employees are required to complete a minimum requirement of a combination of mortgage servicing operations and compliance training annually.	For a sample of active employees, inspected evidence to validate that the continuing employee completed the minimum hours of annual compliance and mortgage operations training, in line with training matrix.	No exceptions noted.

Logical Access

Control Objective 10: Controls provide reasonable assurance that access to the Company's network, to the Invoicing System, and to the Servicing System is monitored and restricted to authorized personnel.

Control Key	Control Activity	Tests Performed	Results
10.1	Access to the Company's network, the Servicing System and the Invoicing System is controlled through unique user IDs and passwords.	Observed authentication to the Company's network, the Invoicing System, and the Servicing System to validate a user ID and password was required, per policy.	No exceptions noted.
		Reviewed the system generated user ID listing for the network, Invoicing System and the Servicing System to validate existence of unique usernames.	No exceptions noted.
10.2	The network, which is the first level of authentication required for access to the Servicing System and the Invoicing System, requires that user passwords have specific attributes.	Inspected password configuration settings for the network to validate that they meet minimum criteria in accordance with Company policy.	No exceptions noted.
10.3	Administrative access to the network, to the Servicing System and the Invoicing System is restricted to appropriate members.	For a sample of employees with administrative access to the network, Servicing System, and Invoicing System, discussed job title and business justification with management to validate appropriateness based on job title and role.	No exceptions noted.
10.4	Requests to add new users and modify the access of existing users to the network, to the Invoicing System, and to the Servicing System is initiated and approved by HR. Approval is evidenced by existence of an HR Pipeline Service Request Ticket.	For a sample of new users and modified access of existing users, inspected evidence to validate approval by HR.	No exceptions noted.
10.5	Role-based access groups are used to limit user access to the production environment to individuals commensurate with their job responsibilities.	For a sample of users, inspected the corresponding security group access rights in the system to validate that each selected group was appropriately configured to limit user access to the production environment commensurate with their job responsibilities.	No exceptions noted.

Control Key	Control Activity	Tests Performed	Results
10.6	For employee terminations, HR submits an Information Technology Service Request Ticket. Information Systems disables/deletes user accounts for terminated employees upon receipt.	For a sample of terminated users, inspected the Information Technology Service Request Ticket to validate access was disabled upon receipt.	No exceptions noted.
10.7	Remote access is controlled through remote hardware and VPN software that require a unique user ID and password to gain access to the online systems.	Inspected evidence to validate that a unique username, password, and token were required to gain remote access to the online systems.	No exceptions noted.
10.8	Windows Server administrator activity is logged. An automated email is generated to members of the IS Department when irregular activity is identified. Irregular activity is investigated and resolved as necessary.	Observed system settings to validate that logging is enabled and alert notification configurations existed for irregular administrator activity on windows servers.	No exceptions noted.

Backups

Control Objective 11: Controls provide reasonable assurance that the Servicing System and operating system are backed-up.

Control Key	Control Activity	Tests Performed	Results
11.1	On a daily basis, incremental backups are performed on all production servers according to the documented backup procedures.	Inspected backup configurations to validate that backups are scheduled according to documented backup procedures.	No exceptions noted.
11.2	Backup reports are reviewed for every backup performed. Backups that fail are researched and resolved.	For a sample of days, inspected backup completion reports to validate they were sent to IT and available for review.	No exceptions noted.

Vendor Management

Control Objective 12: Controls provide reasonable assurance that onboarding and ongoing effectiveness of vendors providing services relevant to the defined scope of services are appropriately authorized, reviewed, and monitored upon onboarding and at least annually thereafter in accordance with defined company policy.

Control Key	Control Activity	Tests Performed	Results
12.1	A third-party vendor management policy is defined and reviewed at least annually which outlines internal requirements for onboarding and ongoing monitoring of vendors providing third-party services.	Inspected the latest Vendor Management Policy to validate inclusion of formal documentation of the policies and procedures around vendor management as well as annual review.	No exceptions noted.
12.2	New vendors providing services relevant to the defined scope of services are reviewed in accordance with internal policies and procedures and all requirements are maintained and approved prior to acceptance.	For a sample of new vendors relevant to the defined scope of services, inspected evidence to validate that they were reviewed in accordance with internal policies and procedures and that the vendor was approved prior to onboarding.	<i>As there were no new vendors relevant to the defined scope of services, we were unable to test the operating effectiveness of this control.</i>
12.3	At least annually, all vendors relevant to the defined scope of services are reviewed and monitored in accordance with internal policies and procedures. Based on their defined risk, documentation of annual requirements is maintained and reviewed by appropriate management.	For a sample of existing vendors relevant to the defined scope of services, inspected evidence to validate that they were reviewed annually based on their defined risk in accordance with internal policies and procedures.	No exceptions noted.
		Inspected evidence to validate that the annual review of vendors relevant to the defined scope of services was maintained and approved by management.	No exceptions noted.
12.4	On an annual basis, the latest applicable SOC reports for all defined subservice organizations are reviewed by an appropriate member of management.	For all subservice organizations, inspected evidence to validate management's annual review of the applicable SOC report(s) as well as the associated bridge letter(s), to ensure appropriateness, including mapping of complementary user entity controls and analysis of noted exceptions.	No exceptions noted.

Section V

Other Information Provided by the Service Organization (Unaudited)

Management's Response to Exceptions Noted

The following exceptions were identified during SC&H Attest Services, P.C.'s ("SC&H's") fieldwork. RoundPoint Mortgage Servicing LLC has responded to each exception below. The information below was not audited by SC&H.

Control Objective 4: Disbursements

Controls provide reasonable assurance that servicing related disbursements are accurate, complete and approved as necessary prior to payment.

Control Activity	Exception	Management's Response
Approval is required for corporate disbursement requests processed through direct payment (check, wire, ACH) in accordance with authorized limits outlined by management.	For 5 out of 25 corporate disbursements selected for testing, the disbursement was not approved by the appropriate level of management as defined within the applicable policies.	Management acknowledges the exception. A disbursement associate processed requests that exceeded corporate disbursement approval limits for the requests cited. Procedure updates and coaching are being conducted to prevent future occurrences and ensure appropriate approval is obtained.
A bank account access review is performed quarterly to help ensure that access is appropriate.	For 1 out of 2 quarters selected for testing, a bank account access review was not completed.	Management acknowledges the exception. RoundPoint was still under the control of Freedom and the Treasury function was managed at the Freedom level. Following Two Harbors acquisition of RoundPoint on September 30, 2023, the RoundPoint bank accounts were added to an already established quarterly review process at Two Harbors.

Control Objective 8: Logical Access

Controls provide reasonable assurance that cash remittances and management reports (including lender transaction reports, investor reports, and monthly servicing reports) are complete and accurate.

Control Activity	Exception	Management's Response
On a monthly basis, accounts on the general ledger trial balance	For 1 out of 3 months selected for testing, we noted that certain	Management acknowledges the exception. Beginning September

Control Activity	Exception	Management's Response
that are directly related to loan servicing activities are reconciled in accordance with the Company's Account Substantiation policy. Each reconciliation is approved by the appropriate member of management, in accordance with policy. Reconciling items are researched and resolved in a timely manner.	general ledger reconciliations that were directly related to loan servicing activities were not completed within one month following month-end, as required within the Account Substantiation Policy.	30, 2023, RoundPoint implemented a software called Workiva that tracks all reconciliations and electronically times stamps preparer and reviewer actions. This software will eliminate the manual tracking of reconciliations in excel and will ensure timely completion of preparation and review.