

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

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

For the quarterly period endedMarch 31, 2024

OR

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

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

Commission file number 001-39189

UWM HOLDINGS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

585 South Boulevard E.

(Address of Principal Executive Offices)

Pontiac,

MI

84-2124167

(I.R.S. Employer Identification No.)

48341

(Zip Code)

(800) 981-8898

Registrant's telephone number, including area code

N/A

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	UWMC	New York Stock Exchange
Warrants, each warrant exercisable for one share of Class A Common Stock	UWMCWS	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).    Yes ☒    No ☐

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

As of May 6, 2024, the registrant had 95,577,980 shares of Class A common stock outstanding and 1,502,069,787 shares of Class D common stock outstanding.

<b><u>Table of Contents</u></b>	
<b>Section Name</b>	<b>Page</b>
<b><u>PART I - FINANCIAL INFORMATION</u></b>	
<u>Item 1. Financial Statements</u>	<u>2</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>2</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>3</u>
<u>Condensed Consolidated Statements of Changes in Equity</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>23</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>38</u>
<u>Item 4. Controls and Procedures</u>	<u>39</u>
<b><u>PART II - OTHER INFORMATION</u></b>	
<u>Item 1. Legal Proceedings</u>	<u>40</u>
<u>Item 5. Other Information</u>	<u>41</u>
<u>Item 6. Exhibits</u>	<u>42</u>
<u>Signatures</u>	<u>43</u>

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PART I

Item 1. Financial Statements

**UWM HOLDINGS CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except shares and per share amounts)

	March 31, 2024	December 31, 2023
	(Unaudited)	
<b>Assets</b>		
Cash and cash equivalents	\$ 605,639	\$ 497,468
Mortgage loans at fair value	7,338,135	5,449,884
Derivative assets	34,050	33,019
Investment securities at fair value, pledged	108,323	110,352
Accounts receivable, net	554,443	512,070
Mortgage servicing rights	3,191,803	4,026,136
Premises and equipment, net	145,265	146,417
Operating lease right-of-use asset, net (includes \$96,358 and \$97,596 with related parties)	97,801	99,125
Finance lease right-of-use asset (includes \$24,286 and \$24,802 with related parties)	26,890	29,111
Loans eligible for repurchase from Ginnie Mae	577,487	856,856
Other assets	117,498	111,416
<b>Total assets</b>	<b>\$ 12,797,334</b>	<b>\$ 11,871,854</b>
<b>Liabilities and equity</b>		
Warehouse lines of credit	\$ 6,681,917	\$ 4,902,090
Derivative liabilities	26,918	40,781
Secured lines of credit	200,000	750,000
Borrowings against investment securities	94,064	93,814
Accounts payable, accrued expenses and other	477,765	469,101
Accrued distributions and dividends payable	159,702	159,572
Senior notes	1,989,250	1,988,267
Operating lease liability (includes \$103,194 and \$104,495 with related parties)	104,637	106,024
Finance lease liability (includes \$25,851 and \$26,260 with related parties)	28,536	30,678
Loans eligible for repurchase from Ginnie Mae	577,487	856,856
<b>Total liabilities</b>	<b>10,340,276</b>	<b>9,397,183</b>
<b>Equity</b>		
Preferred stock, \$0.0001 par value - 100,000,000 shares authorized, none issued and outstanding as of March 31, 2024 or December 31, 2023	—	—
Class A common stock, \$0.0001 par value - 4,000,000,000 shares authorized, 94,945,635 and 93,654,269 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	9	10
Class B common stock, \$0.0001 par value - 1,700,000,000 shares authorized, none issued and outstanding as of March 31, 2024 or December 31, 2023	—	—
Class C common stock, \$0.0001 par value - 1,700,000,000 shares authorized, none issued and outstanding as of March 31, 2024 or December 31, 2023	—	—
Class D common stock, \$0.0001 par value - 1,700,000,000 shares authorized, 1,502,069,787 shares issued and outstanding as of March 31, 2024 and December 31, 2023	150	150
Additional paid-in capital	2,085	1,702
Retained earnings	111,980	110,690
Non-controlling interest	2,342,834	2,362,119
<b>Total equity</b>	<b>2,457,058</b>	<b>2,474,671</b>
<b>Total liabilities and equity</b>	<b>\$ 12,797,334</b>	<b>\$ 11,871,854</b>

See accompanying Notes to the Condensed Consolidated Financial Statements.

**UWM HOLDINGS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except shares and per share amounts)  
(Unaudited)

	For the three months ended March 31,	
	2024	2023
<b>Revenue</b>		
Loan production income	\$ 298,954	\$ 205,424
Loan servicing income	184,702	218,557
Change in fair value of mortgage servicing rights	(15,563)	(337,287)
Interest income	101,863	74,580
<b>Total revenue, net</b>	<b>569,956</b>	<b>161,274</b>
<b>Expenses</b>		
Salaries, commissions and benefits	154,241	121,003
Direct loan production costs	31,436	16,483
Marketing, travel, and entertainment	19,111	17,210
Depreciation and amortization	11,340	11,670
General and administrative	40,809	34,619
Servicing costs	30,324	36,862
Interest expense	98,668	63,284
Other income	(237)	(241)
<b>Total expenses</b>	<b>385,692</b>	<b>300,890</b>
<b>Earnings (loss) before income taxes</b>	<b>184,264</b>	<b>(139,616)</b>
<b>Provision (benefit) for income taxes</b>	<b>3,733</b>	<b>(1,003)</b>
<b>Net income (loss)</b>	<b>180,531</b>	<b>(138,613)</b>
<b>Net income (loss) attributable to non-controlling interest</b>	<b>171,801</b>	<b>(126,672)</b>
<b>Net income (loss) attributable to UWM Holdings Corporation</b>	<b>\$ 8,730</b>	<b>\$ (11,941)</b>
<b>Earnings (loss) per share of Class A common stock</b> <b>(see Note 17):</b>		
Basic	\$ 0.09	\$ (0.13)
Diluted	\$ 0.09	\$ (0.13)
<b>Weighted average shares outstanding:</b>		
Basic	94,365,991	92,920,794
Diluted	1,598,647,205	92,920,794

See accompanying Notes to the Condensed Consolidated Financial Statements.

**UWM HOLDINGS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(in thousands, except shares and per share amounts)  
(Unaudited)

	Class A Common Stock Shares	Class A Common Stock Amount	Class D Common Stock Shares	Class D Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Non-controlling Interest	Total
<b>Balance, January 1, 2023</b>	92,575,974	\$ 9	1,502,069,787	\$ 150	\$ 903	\$ 142,500	\$ 3,028,131	\$ 3,171,693
Net loss	—	—	—	—	—	(11,941)	(126,672)	(138,613)
Class A common stock dividends	—	—	—	—	—	(9,310)	—	(9,310)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation	525,997	—	—	—	133	—	2,153	2,286
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	887	(2,194)	(1,307)
<b>Balance, March 31, 2023</b>	93,101,971	\$ 9	1,502,069,787	\$ 150	\$ 1,036	\$ 122,136	\$ 2,751,211	\$ 2,874,542
<b>Balance, January 1, 2024</b>	93,654,269	\$ 10	1,502,069,787	\$ 150	\$ 1,702	\$ 110,690	\$ 2,362,119	\$ 2,474,671
Net income	—	—	—	—	—	8,730	171,801	180,531
Class A common stock dividends	—	—	—	—	—	(9,495)	—	(9,495)
Member distributions to SFS Corp.	—	—	—	—	—	—	(194,261)	(194,261)
Stock-based compensation	1,291,366	(1)	—	—	383	—	6,131	6,513
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	2,055	(2,956)	(901)
<b>Balance, March 31, 2024</b>	94,945,635	\$ 9	1,502,069,787	\$ 150	\$ 2,085	\$ 111,980	\$ 2,342,834	\$ 2,457,058

See accompanying Notes to the Condensed Consolidated Financial Statements.

**UWM HOLDINGS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	For the three months ended March 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 180,531	\$ (138,613)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Reserve for representations and warranties	10,463	7,527
Capitalization of mortgage servicing rights	(535,951)	(525,396)
Change in fair value of mortgage servicing rights	15,563	337,287
Depreciation & amortization	12,323	12,653
Stock-based compensation expense	5,876	2,482
Decrease (increase) in fair value of investment securities	269	(2,600)
Increase (decrease) in fair value of warrants liability	(686)	2,098
Decrease (increase) in:		
Mortgage loans at fair value	(1,888,251)	2,334,701
Derivative assets	(1,031)	21,733
Other assets	35,719	(27,818)
Increase (decrease) in:		
Derivative liabilities	(13,863)	12,994
Other liabilities	(23,702)	(44,126)
Net cash (used in) provided by operating activities	(2,202,740)	1,992,922
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of premises and equipment	(6,973)	(7,952)
Net proceeds from sale of mortgage servicing rights	1,293,861	650,707
Proceeds from principal payments on investment securities	1,760	1,614
Margin calls on borrowings against investment securities	(1,146)	—
Net cash provided by investing activities	1,287,502	644,369
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments under warehouse lines of credit	1,779,826	(2,184,157)
Repayments of finance lease liabilities	(2,142)	(6,692)
Repayments under equipment notes payable	—	(505)
Borrowings under secured lines of credit	100,000	500,000
Repayments under secured lines of credit	(650,000)	(750,000)
Borrowings against investment securities	94,064	—
Repayments of borrowings against investment securities	(93,814)	—
Dividends paid to Class A common stockholders	(9,365)	(9,258)
Member distributions paid to SFS Corp.	(194,261)	(150,207)
Other financing activities	(899)	(1,307)
Net cash provided by (used in) financing activities	1,023,409	(2,602,126)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>108,171</b>	<b>35,165</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<b>497,468</b>	<b>704,898</b>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<b>\$ 605,639</b>	<b>\$ 740,063</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Cash paid for interest	\$ 68,839	\$ 63,322
Cash paid (received) for taxes	363	(124)

See accompanying Notes to the Condensed Consolidated Financial Statements.

**UWM HOLDINGS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

UWM Holdings Corporation, through its consolidated subsidiaries (collectively, the “Company”), engages in the origination, sale and servicing of residential mortgage loans. The Company is organized in Delaware but based in Michigan, and originates and services loans throughout the U.S. The Company is approved as a Title II, non-supervised direct endorsement mortgagee with the U.S. Department of Housing and Urban Development (or “HUD”). In addition, the Company is an approved issuer with the Government National Mortgage Association (or “Ginnie Mae”), as well as an approved seller and servicer with the Federal National Mortgage Association (or “Fannie Mae”) and the Federal Home Loan Mortgage Corporation (or “Freddie Mac”).

The Company (f/k/a Gores Holdings IV, Inc.) was incorporated in Delaware on June 12, 2019. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On September 22, 2020, the Company entered into a Business Combination Agreement (the “Business Combination Agreement”) by and among the Company, SFS Holding Corp., a Michigan corporation (“SFS Corp.”), United Wholesale Mortgage, LLC, a Michigan limited liability company (“UWM”), and UWM Holdings, LLC, a newly formed Delaware limited liability company (“Holdings LLC” and, together with UWM, the “UWM Entities”). The business combination with the UWM Entities closed on January 21, 2021.

Prior to the closing of the business combination with the UWM Entities, SFS Corp. was the sole member of UWM, which had one unit authorized, issued and outstanding. On January 21, 2021, SFS Corp. contributed its equity interest in UWM to Holdings LLC and adopted the Amended and Restated Operating Agreement to admit Holdings LLC as UWM's sole member and its manager. Upon completion of the business combination transaction, (i) Holdings LLC issued approximately 6% of its units (Class A Common Units) to the Company, (ii) SFS Corp. retained approximately 94% of the units (Class B Common Units) in Holdings LLC and accordingly retained approximately 94% of the economic ownership interest of the combined company and (iii) Holdings LLC became a consolidated subsidiary of the Company, as the Company is the sole managing member of Holdings LLC. The economic interest in Holdings LLC owned by SFS Corp. is presented as a non-controlling interest in these condensed consolidated financial statements. See *Note 11 - Non-Controlling Interests* for further information.

Following the consummation of the transactions contemplated by the Business Combination Agreement, the Company is organized in an “Up-C” structure in which UWM (the operating subsidiary) is held directly by Holdings LLC, and the Company's only material direct asset consists of Class A Common Units in Holdings LLC. The Company's current capital structure authorizes Class A common stock, Class B common stock, Class C common stock and Class D common stock. The Class A common stock and Class C common stock each provide holders with one vote on all matters submitted to a vote of stockholders, and the Class B common stock and Class D common stock each provide holders with 10 votes on all matters submitted to a vote of stockholders. The holders of Class C common stock and Class D common stock do not have any of the economic rights (including rights to dividends and distributions upon liquidation) provided to holders of Class A common stock and Class B common stock. Each Holdings LLC Class B Common Unit held by SFS Corp. may be exchanged at the option of the Company, along with its stapled share of Class D common stock, for either, (a) cash or (b) one share of the Company's Class B common stock. Each share of Class B common stock is convertible into one share of Class A common stock upon the transfer or assignment of such share from SFS Corp. to a non-affiliated third-party. See *Note 11 - Non-Controlling Interests* for further information.

Pursuant to the Business Combination Agreement, SFS Corp. is entitled to receive an aggregate of up to 90,761,687 earn-out shares in the form of Class B Common Units in Holdings LLC and Class D common shares upon attainment of certain stock price targets prior to January 2026. There are four different triggering events that affect the number of earn-out shares that will be issued based upon the per share price of Class A common stock ranging from \$13.00 to \$19.00 per share. The Company accounts for the potential earn-out shares as a component of stockholders' equity in accordance with the applicable guidance in U.S. GAAP. See *Note 17 - Earnings Per Share* for further information.

Upon completion of the business combination transaction, the directors and officers of Gores Holdings IV, Inc. (the “Gores Directors and Officers”) resigned, the Company appointed new directors to its Board, and certain officers of UWM became officers of the Company. Pursuant to the Business Combination Agreement, the Company has potential indemnification obligations to the Gores Directors and Officers for costs or losses incurred prior to or after the closing of the business combination transaction that arose by reason of the fact that he or she is or was a director or officer of Gores Holdings IV, Inc.

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The Gores Directors and Officers have been named as defendants in class action suits in Delaware Chancery Court in which it is alleged that they breached their fiduciary duties to shareholders of Gores Holdings, IV. Pursuant to its obligations under the Business Combination Agreement, to the extent that it is determined that the Gores Directors and Officers are entitled to indemnification, the Company is obligated to indemnify them in connection with these lawsuits. The Company has insurance which it believes will cover any material liability that could arise pursuant to its indemnification obligations to the Gores Directors and Officers. This insurance includes two separate towers of coverage with limits in excess of the Company's current estimate of any reasonably possible liability, and a deductible of \$20.5 million.

#### **Basis of Presentation and Consolidation**

The condensed consolidated financial statements are unaudited and presented in U.S. dollars. They have been prepared in accordance with U.S. GAAP pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In our opinion, these condensed consolidated financial statements include all normal and recurring adjustments considered necessary for a fair statement of our results of operations, financial position and cash flows for the periods presented. However, our results of operations for any interim period are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

#### **Use of Estimates**

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Loans Eligible for Repurchase from Ginnie Mae**

For certain loans sold to Ginnie Mae, the Company as the servicer has the unilateral right to repurchase any individual loan in a Ginnie Mae pool if that loan meets defined criteria (generally loans that are more than 90 days past due). When the Company has the unilateral right to repurchase the delinquent loans, the previously sold assets are required to be re-recognized on the condensed consolidated balance sheets as assets and corresponding liabilities at the loan's unpaid principal balance, regardless of the Company's intent to exercise its option to repurchase. The recognition of previously sold loans does not impact the accounting for the previously recognized mortgage servicing rights (or "MSRs").

#### **Income Taxes**

The Company accounts for income taxes during interim periods by applying an estimated annual effective tax rate to year-to-date earnings (loss) before income taxes to compute the year-to-date tax expense (or benefit). At the end of each interim period, the Company estimates the effective tax rate expected to be applicable for the full fiscal year, adjusted for discrete items, if any, that arise during the period. See *Note 15 – Income Taxes* for further information.

#### **Tax Receivable Agreement**

The Company has entered into a Tax Receivable Agreement ("TRA") with SFS Corp. that will obligate the Company to make payments to SFS Corp. of 85% of the amount of cash savings, if any, in federal, state and local income tax that the Company actually realizes as a result of (i) certain increases in tax basis resulting from exchanges of Holdings LLC common units; (ii) imputed interest deemed to be paid by the Company as a result of payments it makes under the tax receivable agreement; (iii) certain increases in tax basis resulting from payments the Company makes under the tax receivable agreement; and (iv) disproportionate allocations (if any) of tax benefits to the Company which arise from, among other things, the sale of certain assets as a result of taxable income allocation rules in the United States. The Company will retain the benefit of the remaining 15% of these tax savings.

The Company accounts for liabilities arising from the TRA as a loss contingency recorded within "Accounts payable, accrued expenses and other." Changes in the liability are measured and recorded when estimated amounts due under the TRA are probable and can be reasonably estimated, and reported as part of "Other expense/(income)" in the condensed consolidated statements of operations. See *Note 9 - Accounts Payable, Accrued Expenses and Other* for further information.

#### **Related Party Transactions**

The Company enters into various transactions with related parties. See *Note 14 – Related Party Transactions* for further information.

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## Public and Private Warrants

As part of Gores Holdings IV, Inc.'s initial public offering ("IPO") in January 2020, Gores Holdings IV, Inc. issued to third party investors 42.5 million units, consisting of one share of Class A common stock of Gores Holdings IV, Inc. and one-fourth of one warrant, at a price of \$10.00 per unit. Each whole warrant entitles the holder to purchase one share of Class A common stock at an exercise price of \$11.50 per share (the "Public Warrants"). Simultaneously with the closing of the IPO, Gores Holdings IV, Inc. completed the private sale of 5.25 million warrants to Gores Holdings IV, Inc.'s sponsor at a purchase price of \$ 2.00 per warrant (the "Private Warrants"). Each Private Warrant allows the sponsor to purchase one share of Class A common stock at \$11.50 per share. Upon the closing of the business combination transaction, the Company had 10,624,987 Public Warrants and 5,250,000 Private Warrants outstanding.

The Private Warrants and the shares of common stock issuable upon the exercise of the Private Warrants were not transferable, assignable or salable until after the completion of the business combination, subject to certain limited exceptions. Additionally, the Private Warrants are exercisable for cash or on a cashless basis, at the holder's option, and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company evaluated the Public and Private Warrants under applicable U.S. GAAP and concluded that they do not meet the criteria to be classified in stockholders' equity due to certain terms of the warrants. Since the Public and Private Warrants meet the definition of derivatives, the Company recorded these warrants as liabilities on the balance sheet at fair value upon the closing of the business combination transaction and subsequently (recorded within "Accounts payable, accrued expenses and other"), with the change in their respective fair values recognized in the condensed consolidated statement of operations (recorded within "Other expense/(income)").

## Stock-Based Compensation

Effective upon the closing of the business combination transaction, the Company adopted the UWM Holdings Corporation 2020 Omnibus Incentive Plan (the "2020 Plan") which was approved by stockholders on January 20, 2021. The 2020 Plan allows for the grant of stock options, restricted stock, restricted stock units ("RSUs"), and stock appreciation rights. Pursuant to the 2020 Plan, the Company reserved a total of 80,000,000 shares of common stock for issuance of stock-based compensation awards, and 68,744,413 shares remained available for issuance under the 2020 Plan as of March 31, 2024. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period based on the fair value of the award on the date of grant and is included in "Salaries, commissions and benefits" on the condensed consolidated statements of operations. The Company made a policy election to recognize the effects of forfeitures as they occur. See *Note 16 – Stock-based Compensation* for further information.

## Recently Adopted Accounting Standards

In March 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2023-1, *Leases (Topic 842): Common Control Arrangements*, which amends certain provisions of ASU 2016-2, *Leases (Topic 842)*. This guidance requires all lessees in a lease with a lessor under common control to amortize leasehold improvements over the useful life of the common control group and provides new guidance for recognizing a transfer of assets between entities under common control as an adjustment to equity when the lessee no longer controls the use of the underlying asset. There was no impact on the Company's condensed consolidated financial statements from adopting this standard effective the fiscal year beginning January 1, 2024.

## Accounting Standards Issued but Not Yet Effective

In November 2023, the FASB issued ASU 2023-7, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires enhanced disclosure of significant segment expenses on an annual and interim basis. The ASU is effective on a retrospective basis for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024. Early adoption is permitted. The Company will include the required disclosures in its consolidated financial statements once adopted.

In December 2023, the FASB issued ASU 2023-9, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024, and early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company will include the required disclosures in its condensed consolidated financial statements once adopted.

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## NOTE 2 – MORTGAGE LOANS AT FAIR VALUE

The table below includes the estimated fair value and unpaid principal balance (“UPB”) of mortgage loans that have contractual principal amounts and for which the Company has elected the fair value option. The fair value option has been elected for mortgage loans, as this accounting treatment best reflects the economic consequences of the Company's mortgage origination and related hedging and risk management activities. The difference between the UPB and estimated fair value is made up of the premiums paid on mortgage loans, as well as the fair value adjustment as of the balance sheet date. The change in fair value adjustment is recorded in the “Loan production income” line item of the condensed consolidated statements of operations.

(In thousands)	March 31, 2024	December 31, 2023
Mortgage loans, unpaid principal balance	\$ 7,244,605	\$ 5,380,119
Premiums paid on mortgage loans	65,761	55,112
Fair value adjustment	27,769	14,653
Mortgage loans at fair value	<u>\$ 7,338,135</u>	<u>\$ 5,449,884</u>

## NOTE 3 – DERIVATIVES

The Company enters into interest rate lock commitments (“IRLCs”) to originate residential mortgage loans at specified interest rates and terms within a specified period of time with customers who have applied for a loan and may meet certain credit and underwriting criteria. To determine the fair value of the IRLCs, each contract is evaluated based upon its stage in the application, approval and origination process for its likelihood of consummating the transaction (or “pullthrough”). Pullthrough is estimated based on changes in market conditions, loan stage, and actual borrower behavior using a historical analysis of IRLC closing rates. Generally, the further into the process the more likely that the IRLC will convert to a loan. The blended average pullthrough rate was 79% and 76% as of March 31, 2024 and December 31, 2023, respectively. The Company primarily uses forward loan sale commitments (“FLSCs”) to economically hedge its pipeline of IRLCs and mortgage loans at fair value.

The notional amounts and fair values of derivative financial instruments not designated as hedging instruments were as follows (in thousands):

	March 31, 2024			December 31, 2023		
	Fair value		Notional Amount	Fair value		Notional Amount
	Derivative assets	Derivative liabilities		Derivative assets	Derivative liabilities	
IRLCs	\$ 25,359	\$ 5,443	\$ 9,339,930 <sup>(a)</sup>	\$ 29,623	\$ 2,933	\$ 6,264,727 <sup>(a)</sup>
FLSCs	8,691	21,475	12,851,505	3,396	37,848	10,469,975
Total	<u>\$ 34,050</u>	<u>\$ 26,918</u>		<u>\$ 33,019</u>	<u>\$ 40,781</u>	

(a) Notional amounts have been adjusted for pullthrough rates of 79% and 76%, respectively.

**NOTE 4 – ACCOUNTS RECEIVABLE, NET**

The following summarizes accounts receivable, net (in thousands):

	March 31, 2024	December 31, 2023
Servicing fees	\$ 204,097	\$ 164,629
Servicing advances	151,533	177,021
Receivables from sales of servicing	131,965	48,936
Investor receivables	46,638	97,109
Origination receivables	15,926	26,426
Derivative settlements receivable	8,498	1,794
Other receivables	609	753
Provision for current expected credit losses	(4,823)	(4,598)
Total accounts receivable, net	\$ 554,443	\$ 512,070

The Company periodically evaluates the carrying value of accounts receivable balances with delinquent receivables being written-off based on specific credit evaluations and circumstances of the debtor.

**NOTE 5 – MORTGAGE SERVICING RIGHTS**

Mortgage servicing rights are recognized on the condensed consolidated balance sheets when loans are sold and the associated servicing rights are retained. The Company's MSRs are measured at fair value, which is determined using a valuation model that calculates the present value of estimated future net servicing cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income, and ancillary income and late fees, among others. These estimates are supported by market and economic data collected from various external sources.

The unpaid principal balance of mortgage loans serviced for others approximated \$ 229.7 billion and \$299.5 billion at March 31, 2024 and December 31, 2023, respectively. Conforming conventional loans serviced by the Company have previously been sold to Fannie Mae and Freddie Mac on a non-recourse basis, whereby credit losses are generally the responsibility of Fannie Mae and Freddie Mac, and not the Company. Loans serviced for Ginnie Mae are insured by the FHA, guaranteed by the VA, or insured by other applicable government programs. While the above guarantees and insurance are the responsibility of those parties, the Company is still subject to potential losses related to its servicing of these loans. Those estimated losses are incorporated into the valuation of MSRs.

The following table summarizes changes in the MSR assets for the three months ended March 31, 2024 and 2023 (in thousands):

	For the three months ended March 31,	
	2024	2023
Fair value, beginning of period	\$ 4,026,136	\$ 4,453,261
Capitalization of MSRs	535,951	525,396
MSR and excess servicing sales	(1,383,098)	(684,621)
Changes in fair value:		
Due to changes in valuation inputs or assumptions	141,059	(222,915)
Due to collection/realization of cash flows/other	(128,245)	(96,251)
Fair value, end of period	\$ 3,191,803	\$ 3,974,870

The following is a summary of the components of the total change in fair value of MSRs as reported in the condensed consolidated statements of operations (in thousands):

	For the three months ended March 31,	
	2024	2023
Changes in fair value:		
Due to changes in valuation inputs and assumptions	\$ 141,059	\$ (222,915)
Due to collection/realization of cash flows and other	(128,245)	(96,251)
Net reserves and transaction costs on sales of servicing rights	(28,377)	(18,121)
Changes in fair value of mortgage servicing rights	<u>\$ (15,563)</u>	<u>\$ (337,287)</u>

During the three months ended March 31, 2024 and 2023, the Company sold MSRs on loans with an aggregate UPB of approximately \$ 87.8 billion and \$34.3 billion, respectively, for proceeds of approximately \$1.2 billion and \$379.1 million, respectively. In addition, during the three months ended March 31, 2024 and 2023, the Company sold excess servicing cash flows on certain agency loans with a total UPB of approximately \$19.4 billion and \$63.4 billion, respectively, for proceeds of approximately \$150.9 million and \$305.5 million, respectively. In connection with these sales, the Company recorded a net \$28.4 million and \$18.1 million, respectively, for its estimated obligation for protection provisions granted to the buyers and transaction costs, which is reflected as part of the change in fair value of MSRs in the condensed consolidated statements of operations.

The following table summarizes the loan servicing income recognized during the three months ended March 31, 2024 and 2023, respectively (in thousands):

	For the three months ended March 31,	
	2024	2023
Contractual servicing fees	\$ 179,592	\$ 214,756
Late, ancillary and other fees	5,110	3,801
Loan servicing income	<u>\$ 184,702</u>	<u>\$ 218,557</u>

The key unobservable inputs used in determining the fair value of the Company's MSRs were as follows at March 31, 2024 and December 31, 2023, respectively:

	March 31, 2024				December 31, 2023			
	Range		Weighted Average		Range		Weighted Average	
Discount rates	10.0	%	—	16.0	%	11.1	%	11.1
Annual prepayment speeds	5.4	%	—	21.5	%	8.2	%	9.6
Cost of servicing	\$74		—	\$111		\$85		\$84

The hypothetical effect of adverse changes in these key assumptions would result in a decrease in fair values as follows at March 31, 2024 and December 31, 2023, respectively, (in thousands):

	March 31, 2024	December 31, 2023
<b>Discount rate:</b>		
+ 10% adverse change – effect on value	\$ (116,251)	\$ (140,727)
+ 20% adverse change – effect on value	(222,615)	(269,702)
<b>Prepayment speeds:</b>		
+ 10% adverse change – effect on value	\$ (86,217)	\$ (124,651)
+ 20% adverse change – effect on value	(166,763)	(240,082)
<b>Cost of servicing:</b>		
+ 10% adverse change – effect on value	\$ (25,030)	\$ (31,869)
+ 20% adverse change – effect on value	(50,060)	(63,738)

These sensitivities are hypothetical and should be used with caution. As the table demonstrates, the Company's methodology for estimating the fair value of MSRs is highly sensitive to changes in assumptions. For example, actual

prepayment experience may differ, and any difference may have a material effect on MSR fair value. Changes in fair value resulting from changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in the table above, the effect of a variation in a particular assumption of the fair value of the MSRs is calculated without changing any other assumption; in reality, changes in one factor may be associated with changes in another (for example, decreases in market interest rates may indicate higher prepayments; however, this may be partially offset by lower prepayments due to other factors such as a borrower's diminished opportunity to refinance, or lower discount rates as investors may accept lower returns in a lower interest rate environment), which may magnify or counteract the sensitivities. Thus, any measurement of MSR fair value is limited by the conditions existing and assumptions made as of a particular point in time. Those assumptions may not be appropriate if they are applied to a different point in time.

#### NOTE 6 – WAREHOUSE AND OTHER SECURED LINES OF CREDIT

##### Warehouse Lines of Credit

The Company had the following warehouse lines of credit with financial institutions as of March 31, 2024 and December 31, 2023, respectively, (in thousands):

Warehouse Lines of Credit <sup>1</sup>	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	Total Advanced Against Line as of March 31, 2024	Total Advanced Against Line as of December 31, 2023
<b>Master Repurchase Agreement ("MRA") Funding Limits as of March 31, 2024:</b>				
\$500 Million	2/29/2012	5/17/2024	\$ 495,494	\$ 489,117
\$1.0 Billion	7/24/2020	8/29/2024	667,436	791,760
\$200 Million	10/30/2020	11/5/2024	134,726	75,691
\$300 Million	2/26/2016	12/19/2024	298,965	271,179
\$1.0 Billion	7/10/2012	1/6/2025	581,289	175,604
\$2.5 Billion	12/31/2014	2/19/2025	1,699,090	1,252,169
\$500 Million	3/7/2019	2/20/2025	375,601	213,556
\$250 Million	4/23/2021	4/23/2025	220,407	103,729
\$3.0 Billion	5/9/2019	11/28/2025	2,173,445	1,475,368
<b>Early Funding:</b>				
\$600 Million (ASAP + - see below)		No expiration	—	—
\$750 Million (EF - see below)		No expiration	35,464	53,917
			<b>\$ 6,681,917</b>	<b>\$ 4,902,090</b>

All interest rates are variable based upon a spread to SOFR or other alternative index.

<sup>1</sup> An aggregate of \$750.0 million of these line amounts is committed as of March 31, 2024.

We are an approved lender for loan early funding facilities with Fannie Mae through its As Soon As Pooled Plus ("ASAP+") program and Freddie Mac through its Early Funding ("EF") program. As an approved lender for these early funding programs, we enter into an agreement to deliver closed and funded one-to-four family residential mortgage loans, each secured by related mortgages and deeds of trust, and receive funding in exchange for such mortgage loans in some cases before we have grouped them into pools to be securitized by Fannie Mae or Freddie Mac. All such mortgage loans must adhere to a set of eligibility criteria to be acceptable. As of March 31, 2024, no amount was outstanding through the ASAP+ program and \$35.5 million was outstanding through the EF program.

As of March 31, 2024, the Company had pledged mortgage loans at fair value as collateral under the above warehouse lines of credit. The above agreements also contain covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income, as defined in the agreements. The Company was in compliance with all of these covenants as of March 31, 2024.

##### MSR Facilities

In the third quarter of 2022, the Company's consolidated subsidiary, UWM, entered into a Loan and Security Agreement with Citibank, N.A., providing UWM with up to \$ 1.5 billion of uncommitted borrowing capacity to finance the

origination, acquisition or holding of certain mortgage servicing rights (the "MSR Facility"). The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitization by Fannie Mae or Freddie Mac that meet certain criteria. Available borrowings under the MSR Facility are based on the fair market value of the collateral. Borrowings under the MSR Facility bear interest based on SOFR plus an applicable margin. The MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of March 31, 2024, the Company was in compliance with all applicable covenants. The MSR Facility has a maturity date of November 5, 2024. As of March 31, 2024 and December 31, 2023, \$100.0 million and \$500.0 million, respectively, was outstanding under the MSR Facility.

In the first quarter of 2023, the Company's consolidated subsidiary, UWM, entered into a Credit Agreement with Goldman Sachs Bank USA, providing UWM with up to \$500.0 million of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "GNMA MSR facility"). The GNMA MSR facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitization by Ginnie Mae that meet certain criteria. Available borrowings under the GNMA MSR facility are based on the fair market value of the collateral. Borrowings under the GNMA MSR facility bear interest based on SOFR plus an applicable margin. The GNMA MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. On March 20, 2024, UWM entered into the First Amendment to Credit Agreement (the "First Amendment") with Goldman Sachs Bank USA. The First Amendment removed the minimum utilization fee on undrawn amounts and extended the maturity date of the GNMA MSR Facility. All other material terms of the GNMA MSR facility remained the same. As of March 31, 2024, the Company was in compliance with all applicable covenants. The draw period for the GNMA MSR facility ends on March 20, 2026, and the facility has a maturity date of March 20, 2027. As of March 31, 2024 and December 31, 2023, \$100.0 million and \$250.0 million, respectively, was outstanding under the GNMA MSR facility.

Outstanding borrowings under the MSR facilities are reported within the "Secured lines of credit" financial statement line item on the condensed consolidated balance sheets.

## NOTE 7 – OTHER BORROWINGS

### Senior Notes

The following is a summary of the senior unsecured notes issued by the Company (in thousands):

Facility Type	Maturity Date	Interest Rate	Outstanding Principal at March 31, 2024	Outstanding Principal at December 31, 2023
2025 Senior Unsecured Notes <sup>(1)</sup>	11/15/2025	5.50 %	\$ 800,000	\$ 800,000
2029 Senior Unsecured Notes <sup>(2)</sup>	04/15/2029	5.50 %	700,000	700,000
2027 Senior Unsecured Notes <sup>(3)</sup>	06/15/2027	5.75 %	500,000	500,000
Total Senior Unsecured Notes			\$ 2,000,000	\$ 2,000,000
Weighted average interest rate			5.56 %	5.56 %

<sup>(1)</sup> Unamortized debt issuance costs and discounts are presented net against the 2025 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$ 3.6 million and \$4.1 million as of March 31, 2024 and December 31, 2023, respectively.

<sup>(2)</sup> Unamortized debt issuance costs and discounts are presented net against the 2029 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$ 4.4 million and \$4.6 million as of March 31, 2024 and December 31, 2023, respectively.

<sup>(3)</sup> Unamortized debt issuance costs and discounts are presented net against the 2027 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$ 2.6 million and \$3.0 million as of March 31, 2024 and December 31, 2023, respectively.

#### 2025 Senior Notes

On November 3, 2020, the Company's consolidated subsidiary, UWM, issued \$ 800.0 million in aggregate principal amount of senior unsecured notes due November 15, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2025 Senior Notes is due semi-annually on May 15 and November 15 of each year.

Beginning on November 15, 2022, the Company may, at its option, redeem the 2025 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: November 15, 2022 at 102.750%; November 15, 2023 at 101.375%; or November 15, 2024 until maturity at 100%, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

#### 2029 Senior Notes

On April 7, 2021, the Company's consolidated subsidiary, UWM, issued \$ 700.0 million in aggregate principal amount of senior unsecured notes due April 15, 2029 (the "2029 Senior Notes"). The 2029 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2029 Senior Notes is due semi-annually on April 15 and October 15 of each year.

On or after April 15, 2024, the Company may, at its option, redeem the 2029 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: April 15, 2024 at 102.750%; April 15, 2025 at 101.375%; or April 15, 2026 until maturity at 100%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to April 15, 2024, the Company may, at its option, redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, the Company may, at its option, redeem the 2029 Senior Notes prior to April 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

#### 2027 Senior Notes

On November 22, 2021, the Company's consolidated subsidiary, UWM, issued \$ 500.0 million in aggregate principal amount of senior unsecured notes due June 15, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes accrue interest at a rate of 5.750% per annum. Interest on the 2027 Senior Notes is due semi-annually on June 15 and December 15 of each year.

On or after June 15, 2024, the Company may, at its option, redeem the 2027 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: June 15, 2024 at 102.875%; June 15, 2025 at 101.438%; or June 15, 2026 until maturity at 100.000%, of the principal amount of the 2027 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to June 15, 2024, the Company may, at its option, redeem up to 40% of the aggregate principal amount of the 2027 Senior Notes originally issued at a redemption price of 105.75% of the principal amount of the 2027 Senior Notes redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, the Company may, at its option, redeem the 2027 Senior Notes prior to June 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

The indentures governing the 2025, 2029 and 2027 Senior Notes contain operating covenants and restrictions, subject to a number of exceptions and qualifications. The Company was in compliance with the terms of the indentures as of March 31, 2024.

#### ***Revolving Credit Facility***

On August 8, 2022, UWM entered into a Revolving Credit Agreement (the "Revolving Credit Agreement") between UWM, as the borrower, and SFS Corp., as the lender. The Revolving Credit Agreement provides for, among other things, a \$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility had an initial one-year term and automatically renews for successive one-year periods unless terminated by either party. Amounts borrowed under the Revolving Credit Facility may be borrowed, repaid and reborrowed from time to time, and accrue interest at the Applicable Prime Rate (as defined in the Revolving Credit Agreement). UWM may utilize the Revolving Credit Facility in connection with: (i) operational and investment activities, including but not limited to funding and/or advances related to (a) servicing rights, (b) 'scratch and dent' loans, (c) margin requirements, and (d) equity in loans held for sale; and (ii) general corporate purposes.

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The Revolving Credit Agreement contains certain financial and operating covenants and restrictions, subject to a number of exceptions and qualifications, and the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. The Company was in compliance with these covenants as of March 31, 2024. No amounts were outstanding under the Revolving Credit Facility as of March 31, 2024 or December 31, 2023.

## NOTE 8 – COMMITMENTS AND CONTINGENCIES

### Representations and Warranties Reserve

Loans sold to investors which the Company believes met investor and agency underwriting guidelines at the time of sale may be subject to repurchase by the Company in the event of specific default by the borrower or upon subsequent discovery that underwriting or documentation standards were not explicitly satisfied. The Company may, upon mutual agreement, indemnify the investor against future losses on such loans or be subject to other guaranty requirements and subject to loss. The Company initially records its exposure under such guarantees at estimated fair value upon the sale of the related loan, within "Accounts payable, accrued expenses, and other" as well as within "loan production income," and continues to evaluate its on-going exposures in subsequent periods. The reserve is estimated based on the Company's assessment of its obligations, including expected losses, expected frequency, the overall potential remaining exposure, as well as an estimate for a market participant's potential readiness to stand by to perform on such obligations. The Company repurchased \$63.7 million and \$58.6 million in UPB of loans during the three months ended March 31, 2024 and 2023, respectively, related to its representations and warranties obligations.

The activity of the representations and warranties reserve was as follows (in thousands):

	For the three months ended March 31,	
	2024	2023
Balance, beginning of period	\$ 62,865	\$ 60,495
Additions	10,463	7,527
Losses realized, net	(5,106)	(10,060)
Balance, end of period	\$ 68,222	\$ 57,962

### Commitments to Originate Loans

As of March 31, 2024, the Company had agreed to extend credit to potential borrowers for approximately \$ 36.6 billion. These contracts represent off-balance sheet credit risk where the Company may be required to extend credit to these borrowers based on the prevailing interest rates and prices at the time of execution.

## NOTE 9 - ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER

The following summarizes accounts payable, accrued expenses and other (in thousands):

	March 31, 2024	December 31, 2023
Servicing fees payable	\$ 134,183	\$ 99,694
Accrued compensation and benefits	83,101	82,745
Representations and warranties reserve	68,222	62,865
Accrued interest and bank fees	53,831	24,985
Deferred tax liability	33,690	30,334
Other accounts payable	30,006	43,174
Investor payables	21,893	25,001
Derivative settlements payable	16,131	64,777
TRA liability	15,674	15,494
Other accrued expenses	13,887	12,199
Public and Private Warrants	7,147	7,833
Total accounts payable, accrued expenses and other	\$ 477,765	\$ 469,101



#### NOTE 10 – VARIABLE INTEREST ENTITIES

Upon completion of the business combination transaction described in Note 1, the Company became the managing member of Holdings LLC with 100% of the management and voting power in Holdings LLC. In its capacity as managing member, the Company has the sole authority to make decisions on behalf of Holdings LLC and bind Holdings LLC to signed agreements. Further, Holdings LLC maintains separate capital accounts for its investors as a mechanism for tracking earnings and subsequent distribution rights.

Management concluded that the Company is Holdings LLC's primary beneficiary. As the primary beneficiary, the Company consolidates the results and operations of Holdings LLC for financial reporting purposes under the variable interest entity ("VIE") consolidation model.

The Company's relationship with Holdings LLC results in no recourse to the general credit of the Company. Holdings LLC and its consolidated subsidiaries represent the Company's sole investment. The Company shares in the income and losses of Holdings LLC in direct proportion to the Company's ownership interest. Further, the Company has no contractual requirement to provide financial support to Holdings LLC.

The Company's financial position, performance and cash flows effectively represent those of Holdings LLC and its consolidated subsidiaries as of and for the three months ended March 31, 2024 and 2023.

In 2021, UWM began selling some of the mortgage loans that it originates through private label securitization transactions. There have been no loan sales through UWM's private label securitization transactions since 2021. In executing these transactions, the Company sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The securitization entities are funded through the issuance of beneficial interests in the securitized assets. The beneficial interests take the form of trust certificates, some of which are sold to investors and some of which may be retained by the Company due to regulatory requirements. Retained beneficial interests consist of a 5% vertical interest in the assets of the securitization trusts, in order to comply with the risk retention requirements applicable to certain of the Company's securitization transactions. The Company has elected the fair value option for subsequently measuring the retained beneficial interests in the securitization trusts, and these investments are presented as "Investment securities at fair value, pledged" in the condensed consolidated balance sheet as of March 31, 2024 and December 31, 2023. Changes in the fair value of these retained beneficial interests are reported as part of "Other expense (income)" in the condensed consolidated statements of operations. The Company also retains the servicing rights on the securitized mortgage loans. The Company has accounted for these transactions as sales of financial assets.

The securitization trusts that purchase the mortgage loans from the Company and securitize those mortgage loans are VIEs, and the Company holds variable interests in certain of these entities. Because the Company does not have the obligation to absorb the VIEs' losses or the right to receive benefits from the VIEs that could potentially be significant to the VIEs, the Company is not the primary beneficiary of these securitization trusts and is not required to consolidate these VIEs. The Company separately entered into sale and repurchase agreements for a portion of the retained beneficial interests in the securitization trusts, which have been accounted for as borrowings against investment securities. As of March 31, 2024, \$106.2 million of the \$108.3 million of investment securities at fair value have been pledged as collateral for these borrowings against investment securities. The outstanding principal balance of these borrowings was approximately \$94.1 million with remaining maturities ranging from approximately one to two months as of March 31, 2024, and interest rates based on SOFR plus a spread. The Company's maximum exposure to loss in these non-consolidated VIEs is limited to the retained beneficial interests in the securitization trusts.

#### NOTE 11 – NON-CONTROLLING INTERESTS

The non-controlling interest balance represents the economic interest in Holdings LLC held by SFS Corp. The following table summarizes the ownership of units in Holdings LLC as of:

	March 31, 2024		December 31, 2023	
	Common Units	Ownership Percentage	Common Units	Ownership Percentage
UWM Holdings Corporation ownership of Class A Common Units	94,945,635	5.95 %	93,654,269	5.87 %
SFS Corp. ownership of Class B Common Units	1,502,069,787	94.05 %	1,502,069,787	94.13 %
Balance at end of period	1,597,015,422	100.00 %	1,595,724,056	100.0 %

The non-controlling interest holder has the right to exchange Class B Common Units, together with a corresponding number of shares of our Class D common stock or Class C common stock (together referred to as "Stapled Interests"), for, at the Company's option, (i) shares of the Company's Class B common stock or Class A common stock or (ii) cash from a substantially concurrent public offering or private sale (based on the price of the Company's Class A common stock). As such,

future exchanges of Stapled Interests by the non-controlling interest holder will result in a change in ownership and reduce or increase the amount recorded as non-controlling interest and increase or decrease additional paid-in-capital or retained earnings when Holdings LLC has positive or negative net assets, respectively. As of March 31, 2024, SFS Corp. has not exchanged any Stapled Interests.

During the three months ended March 31, 2024, the Company issued 1,291,366 shares of Class A common stock, net of withholdings, which primarily related to the vesting of RSUs under its stock-based compensation plan. During the three months ended March 31, 2023, the Company issued 525,997 shares of Class A common stock which primarily related to the vesting of RSUs under its stock-based compensation plan. This resulted in an equivalent increase in the number of Class A Common Units of Holdings LLC held by the Company, and a re-measurement of the non-controlling interest in Holdings LLC due to the change in relative ownership of Holdings LLC with no change in control. The impact of the re-measurement of the non-controlling interest is reflected in the condensed consolidated statement of changes in equity.

#### **NOTE 12 – REGULATORY NET WORTH REQUIREMENTS**

Certain secondary market agencies and state regulators require UWM to maintain minimum net worth, capital, and liquidity requirements to remain in good standing with the agencies. Noncompliance with an agency's requirements can result in such agency taking various remedial actions up to and including terminating UWM's ability to sell loans to and service loans on behalf of the respective agency.

UWM is required to maintain certain minimum net worth, minimum liquidity, and minimum capital ratio requirements, including those established by USDA, HUD, Ginnie Mae, Freddie Mac and Fannie Mae. As of March 31, 2024, the most restrictive of these requirements require UWM to maintain a minimum net worth of \$668.1 million, liquidity of \$305.8 million, and a minimum capital ratio of 6%. At March 31, 2024, UWM was in compliance with these requirements.

#### **NOTE 13 – FAIR VALUE MEASUREMENTS**

Fair value is defined under U.S. GAAP as the price that would be received if an asset were sold or the price that would be paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. Required disclosures include classification of fair value measurements within a three-level hierarchy (Level 1, Level 2 and Level 3). Classification of a fair value measurement within the hierarchy is dependent on the classification and significance of the inputs used to determine the fair value measurement. Observable inputs are those that are observed, implied from, or corroborated with externally available market information. Unobservable inputs represent the Company's estimates of market participants' assumptions.

Fair value measurements are classified in the following manner:

*Level 1*—Valuation is based on quoted prices in active markets for identical assets or liabilities at the measurement date.

*Level 2*—Valuation is based on either observable prices for identical assets or liabilities in inactive markets, observable prices for similar assets or liabilities, or other inputs that are derived directly from, or through correlation to, observable market data at the measurement date.

*Level 3*—Valuation is based on the Company's or others' models using significant unobservable assumptions at the measurement date that a market participant would use.

In determining fair value measurements, the Company uses observable inputs whenever possible. The level of a fair value measurement within the hierarchy is dependent on the lowest level of input that has a significant impact on the measurement as a whole. If quoted market prices are available at the measurement date or are available for similar instruments, such prices are used in the measurements. If observable market data is not available at the measurement date, judgement is required to measure fair value.

The following is a description of measurement techniques for items recorded at fair value on a recurring basis. There were no material items recorded at fair value on a nonrecurring basis as of March 31, 2024 or December 31, 2023.

Mortgage loans at fair value: The Company has elected the fair value option for mortgage loans. Accordingly, the fair values of mortgage loans are based on valuation models that use the market price for similar loans sold in the secondary market. As these prices are derived from market observable inputs, they are categorized as Level 2.

IRLCs: The Company's interest rate lock commitments are derivative instruments that are recorded at fair value based on valuation models that use the market price for similar loans sold in the secondary market. The IRLCs are then subject to an estimated loan funding probability, or "pullthrough rate." Given the significant and unobservable nature of the pullthrough rate assumption, IRLC fair value measurements are classified as Level 3.

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MSRs: The fair value of MSRs is determined using a valuation model that calculates the present value of estimated future net servicing cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income, and ancillary income and late fees, among others. These estimates are supported by market and economic data collected from various outside sources. These fair value measurements are classified as Level 3.

FLSCs: The Company enters into forward loan sales commitments to sell certain mortgage loans which are recorded at fair value based on valuation models. The Company's expectation of the amount of its interest rate lock commitments that will ultimately close is a factor in determining the position. The valuation models utilize the fair value of related mortgage loans determined using observable market data, and therefore, the fair value measurements of these commitments are categorized as Level 2.

Investment securities at fair value, pledged : The Company occasionally sells mortgage loans that it originates through private label securitization transactions. In executing these securitizations, the Company sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The Company has elected the fair value option for subsequently measuring the retained beneficial interests in the securitization trusts. The fair value of these investment securities is primarily based on observable market data and therefore categorized as Level 2.

Public and Private Warrants: The fair value of Public Warrants is based on the price of trades of these securities in active markets and therefore categorized as Level 1. The fair value of the Private Warrants is based on observable market data and therefore categorized as Level 2.

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**Financial Instruments - Assets and Liabilities Measured at Fair Value on a Recurring Basis**

The following are the major categories of financial assets and liabilities measured at fair value on a recurring basis (in thousands):

Description	March 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Mortgage loans at fair value	\$ —	\$ 7,338,135	\$ —	\$ 7,338,135
IRLCs	—	—	25,359	25,359
FLSCs	—	8,691	—	8,691
Investment securities at fair value, pledged	—	108,323	—	108,323
Mortgage servicing rights	—	—	3,191,803	3,191,803
Total assets	\$ —	\$ 7,455,149	\$ 3,217,162	\$ 10,672,311
<b>Liabilities:</b>				
IRLCs	\$ —	\$ —	\$ 5,443	\$ 5,443
FLSCs	—	21,475	—	21,475
Public and Private Warrants	3,081	4,066	—	7,147
Total liabilities	\$ 3,081	\$ 25,541	\$ 5,443	\$ 34,065

  

Description	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Mortgage loans at fair value	\$ —	\$ 5,449,884	\$ —	\$ 5,449,884
IRLCs	—	—	29,623	29,623
FLSCs	—	3,396	—	3,396
Investment securities at fair value, pledged	—	110,352	—	110,352
Mortgage servicing rights	—	—	4,026,136	4,026,136
Total assets	\$ —	\$ 5,563,632	\$ 4,055,759	\$ 9,619,391
<b>Liabilities:</b>				
IRLCs	\$ —	\$ —	\$ 2,933	\$ 2,933
FLSCs	—	37,848	—	37,848
Public and Private warrants	3,078	4,755	—	7,833
Total liabilities	\$ 3,078	\$ 42,603	\$ 2,933	\$ 48,614

The following table presents quantitative information about the inputs used in recurring Level 3 fair value financial instruments and the fair value measurements for IRLCs:

Unobservable Input - IRLCs	March 31, 2024	December 31, 2023
Pullthrough rate (weighted avg.)	79 %	76 %

Refer to *Note 5 - Mortgage Servicing Rights* for further information on the unobservable inputs used in measuring the fair value of the Company's MSR's and for the roll-forward of MSR's for the three months ended March 31, 2024.

**Level 3 Issuances and Transfers**

The Company enters into IRLCs which are considered derivatives. If the contract converts to a loan, the implied value, which is solely based upon interest rate changes, is incorporated in the basis of the fair value of the loan. If the IRLC does not convert to a loan, the basis is reduced to zero as the contract has no continuing value. The Company does not track the basis of the individual IRLCs that convert to a loan, as that amount has no relevance to the presented condensed consolidated financial statements.

**Other Financial Instruments**

The following table presents the carrying amounts and estimated fair value of the Company's financial liabilities that are not measured at fair value on a recurring or nonrecurring basis (in thousands):

	March 31, 2024		December 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2025 Senior Notes, due 11/15/25	\$ 796,441	\$ 793,456	\$ 795,894	\$ 795,144
2029 Senior Notes, due 4/15/29	695,589	662,473	695,370	662,396
2027 Senior Notes, due 6/15/27	497,220	486,595	497,003	490,825
	<u>\$ 1,989,250</u>	<u>\$ 1,942,524</u>	<u>\$ 1,988,267</u>	<u>\$ 1,948,365</u>

The fair value of the 2025, 2029 and 2027 Senior Notes was estimated using Level 2 inputs, including observable trading information from independent sources.

Due to their nature and respective terms (including the variable interest rates on warehouse and other lines of credit and borrowings against investment securities), the carrying value of cash and cash equivalents, receivables, payables, borrowings against investment securities and warehouse and other lines of credit approximate their fair values as of March 31, 2024 and December 31, 2023, respectively.

#### NOTE 14 – RELATED PARTY TRANSACTIONS

In the normal course of business, the Company engages in the following significant related party transactions:

- The Company's corporate campus is located in buildings and on land that are owned by entities controlled by the Company's founder (who is a current member of the Board of Directors) and its CEO and leased by the Company from these entities. The Company also makes leasehold improvements to these properties for the benefit of the Company, for which the Company is responsible pursuant to the terms of the lease agreements;
- Legal services are provided to the Company by a law firm in which the Company's founder is a partner;
- The Company leases aircraft owned by entities controlled by the Company's CEO to facilitate travel of Company executives for business purposes. Our executive officers (other than the CEO) may, from time to time, be authorized by the CEO to use the aircraft for personal trips;
- Employee lease agreements, pursuant to which the Company's team members provide certain administrative services to entities controlled by the Company's founder and its CEO in exchange for fees paid by these entities to the Company.

For the three months ended March 31, 2024 and 2023, the Company made net payments of approximately \$ 5.2 million and \$4.8 million, respectively, to various companies related through common ownership. Such related party payments were comprised of, (i) with respect to the three months ended March 31, 2024, approximately \$4.9 million in rent and other occupancy related fees, \$0.2 million in legal fees, and \$0.1 million in other general and administrative expenses and (ii) with respect to the three months ended March 31, 2023, approximately \$4.6 million in rent and other occupancy related fees, \$ 0.1 million in legal fees and \$ 0.1 million in other general and administrative expenses. Additionally, the Company made payments of \$0.1 million and \$0.2 million to unrelated third parties for pilots and ancillary services related to usage of the aircraft for the three months ended March 31, 2024 and 2023, respectively.

UWM entered into a \$500.0 million unsecured Revolving Credit Facility with SFS Corp. as the lender during the third quarter of 2022. Refer to *Note 7 - Other borrowings* for further details.

#### NOTE 15 – INCOME TAXES

For the three months ended March 31, 2024 and 2023, the Company's effective tax rate was 2.03% and 0.72% respectively. The variations between the Company's effective tax rate and the U.S. statutory rate are primarily due to the portion (approximately 94%) of the Company's earnings attributable to non-controlling interests.

**NOTE 16 – STOCK-BASED COMPENSATION**

The following is a summary of RSU activity for the three months ended March 31, 2024 and 2023:

	For the three months ended March 31,			
	2024		2023	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested - beginning of period	7,867,321	\$ 5.89	4,005,801	\$ 5.30
Granted	1,198,345	6.80	585,796	4.34
Vested	(1,426,590)	6.33	(804,701)	7.75
Forfeited	(138,135)	5.61	(112,466)	4.45
Unvested - end of period	7,500,941	\$ 5.96	3,674,430	\$ 4.64

Stock-based compensation expense recognized for the three months ended March 31, 2024 and 2023 was \$ 5.9 million and \$2.5 million, respectively. As of March 31, 2024 and 2023, there was \$39.6 million and \$14.5 million of unrecognized compensation expense, respectively, related to unvested awards which is expected to be recognized over a weighted average period of 2.8 years and 2.2 years, respectively. During the three months ended March 31, 2024, the Company granted 1.2 million RSUs with a weighted average grant date fair value of \$6.80, and vesting terms ranging from immediate to four years from the grant date.

**NOTE 17 – EARNINGS PER SHARE**

The Company has two classes of economic shares authorized - Class A and Class B common stock. The Company applies the two-class method for calculating earnings per share for Class A common stock and Class B common stock. In applying the two-class method, the Company allocates undistributed earnings equally on a per share basis between Class A and Class B common stock. According to the Company's certificate of incorporation, the holders of the Class A and Class B common stock are entitled to participate in earnings equally on a per-share basis, as if all shares of common stock were of a single class, and in such dividends as may be declared by the Board of Directors. RSUs awarded as part of the Company's stock compensation plan are included in weighted-average Class A shares outstanding in the calculation of basic earnings per share once the RSUs are vested and shares are issued.

Basic earnings (loss) per share of Class A common stock and Class B common stock is computed by dividing net income (loss) attributable to UWM Holdings Corporation by the weighted-average number of shares of Class A common stock and Class B common stock outstanding during the period. Diluted earnings (loss) per share of Class A common stock and Class B common stock is computed by dividing net income (loss) by the weighted-average number of shares of Class A common stock or Class B common stock, respectively, outstanding adjusted to give effect to potentially dilutive securities. See *Note 11, Non-Controlling Interests* for a description of the Stapled Interests. Refer to *Note 1 - Organization, Basis of Presentation and Summary of Significant Accounting Policies* - for additional information related to the Company's capital structure.

There was no Class B common stock outstanding as of March 31, 2024 or March 31, 2023.

The following table sets forth the calculation of basic and diluted earnings (loss) per share for the periods ended March 31, 2024 and 2023 (in thousands, except shares and per share amounts):

	For the three months ended March 31,	
	2024	2023
Net income (loss)	\$ 180,531	\$ (138,613)
Net income (loss) attributable to non-controlling interests	171,801	(126,672)
Net income (loss) attributable to UWMC	8,730	(11,941)
<b>Numerator:</b>		
Net income (loss) attributable to Class A common shareholders	\$ 8,730	\$ (11,941)
Net income (loss) attributable to Class A common shareholders - diluted	\$ 142,860	\$ (11,941)
<b>Denominator:</b>		
Weighted average shares of Class A common stock outstanding - basic	94,365,991	92,920,794
Weighted average shares of Class A common stock outstanding - diluted	1,598,647,205	92,920,794
Earnings (loss) per share of Class A common stock outstanding - basic	\$ 0.09	\$ (0.13)
Earnings (loss) per share of Class A common stock outstanding - diluted	\$ 0.09	\$ (0.13)

For purposes of calculating diluted earnings per share, it was assumed that the 1,502,069,787 shares of Class D common stock were exchanged for Class B common stock and converted to Class A common stock under the if-converted method, and it was determined that the conversion would be dilutive for the three months ended March 31, 2024 and anti-dilutive for the three months ended March 31, 2023. Under the if-converted method, all of the Company's net income (loss) for the applicable periods is attributable to Class A common shareholders. The net income (loss) of the Company under the if-converted method is calculated including an estimated income tax provision which is determined using a blended statutory effective tax rate.

The Public and Private Warrants were not in the money and the triggering events for the issuance of earn-out shares were not met during the three months ended March 31, 2024 and 2023. Therefore, these potentially dilutive securities were excluded from the computation of diluted earnings per share. Unvested RSUs have been considered in the calculations of diluted earnings per share for the three months ended March 31, 2024 and 2023 using the treasury stock method and the impact was either anti-dilutive or immaterial.

#### NOTE 18 – SUBSEQUENT EVENTS

Subsequent to March 31, 2024, the Board declared a cash dividend of \$ 0.10 per share on the outstanding shares of Class A common stock. The dividend is payable on July 11, 2024 to stockholders of record at the close of business on June 20, 2023. Additionally, the Board approved a proportional distribution to SFS Corp. of \$150.2 million which is payable on or about July 11, 2024 .

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following management's discussion and analysis of our financial condition and results of operations should be read in conjunction with, and is qualified in its entirety by reference to, our condensed consolidated financial statements and the related notes and other information included elsewhere in this Quarterly Report on Form 10-Q (the "Form 10-Q"). This discussion and analysis contains forward-looking statements that involve risks and uncertainties which could cause our actual results to differ materially from those anticipated in these forward-looking statements, including, but not limited to, risks and uncertainties discussed under the heading "Cautionary Note Regarding Forward-Looking Statements," in this report and in Part I. Item 1A. "Risk Factors" included in our Form 10-K filed with the SEC on February 28, 2024. Unless otherwise indicated or the context otherwise requires, when used in this Form 10-Q, the term "UWM" means United Wholesale Mortgage, LLC and "the Company," "we," "our" and "us" refer to UWM Holdings Corporation and our subsidiaries.*

### Business Overview

We are the largest overall residential mortgage lender in the U.S., by closed loan volume, despite originating mortgage loans exclusively through the wholesale channel. For the last nine years, including the year ended December 31, 2023 we have also been the largest wholesale mortgage lender in the U.S. by closed loan volume. With a culture of continuous innovation of technology and enhanced client experience, we lead our market by building upon our proprietary and exclusively licensed technology platforms, superior service and focused partnership with the independent mortgage broker community. We originate primarily conforming and government loans across all 50 states and the District of Columbia.

Our mortgage origination business derives revenue from originating, processing and underwriting primarily government-sponsored enterprise ("GSE") conforming mortgage loans, along with FHA, USDA and VA mortgage loans, which are subsequently pooled and sold in the secondary market. For the three months ended March 31, 2024, 89% of the loans we originated were sold to Fannie Mae or Freddie Mac, or were transferred to Ginnie Mae pools in the secondary market, while the remainder were primarily jumbo loans that are underwritten to the same "Qualified Mortgage" underwriting standards and have a similar risk profile but are sold to third party investors primarily due to loan size. The mortgage origination process generally begins with a borrower entering into an IRLC with us that is arranged by an independent mortgage broker, pursuant to which we have committed to enter into a mortgage at specified interest rates and terms within a specified period of time with a borrower who has applied for a loan and met certain credit and underwriting criteria. As we have committed to providing a mortgage loan at a specific interest rate, we generally hedge that risk by selling forward-settling mortgage-backed securities and FLSs in the To Be Announced ("TBA") market. When the mortgage loan is closed, we fund the loan with approximately 2-3%, on average, of our own funds and the remainder with funds drawn under one of our warehouse facilities (except when we opt to "self-warehouse" in which case we use our cash to fund the entire loan). At that point, the mortgage loan is legally owned by our warehouse facility lender and is subject to our repurchase right (other than when we self-warehouse). When we have identified a pool of mortgage loans to sell to the agencies, non-governmental entities, other investors, or through our private label securitization transactions, we repurchase loans not already owned by us from our warehouse lender and sell the pool of mortgage loans into the secondary market, but in most instances retain the mortgage servicing rights, or MSRs, associated with those loans. We currently retain the majority of the MSRs associated with our production, but we have, and intend to continue to opportunistically sell MSRs depending on market conditions. This nimble approach has provided us funding flexibility, and reduced legacy MSR asset exposure. When we sell MSRs, we typically sell them in the bulk MSR secondary market.

Our unique model, focusing exclusively on the wholesale channel, results in what we believe to be complete alignment with our clients and superior customer service arising from our investments in people and technology that has driven demand for our services from our clients.

### New Accounting Pronouncements Not Yet Effective

See Note 1 – Organization, Basis of Presentation and Summary of Significant Accounting Policies to the condensed consolidated financial statements for details of recently issued accounting pronouncements and their expected impact on the Company's condensed consolidated financial statements.

### Components of Revenue

We generate revenue from the following three components of the loan origination business: (i) loan production income, (ii) loan servicing income, and (iii) interest income.

*Loan production income.* Loan production income includes all components related to the origination and sale of mortgage loans, including:

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- primary gain, which represents the premium we may receive in excess of the loan principal amount adjusted for previous fair value adjustments, and certain fees charged by investors upon sale of loans into the secondary market. When the mortgage loan is sold into the secondary market, any difference between the proceeds received and the current fair value of the loan is recognized in current period earnings;
- loan origination and certain other fees related to the origination of a loan, which generally represent flat, per-loan fee amounts;
- provision for representation and warranty obligations, which represent the reserves initially established at the time of sale for our estimated liabilities associated with the potential repurchase or indemnity of purchasers of loans previously sold due to representation and warranty claims by investors. Included within these reserves are amounts for estimated liabilities for requirements to repay a portion of any premium received from investors on the sale of certain loans if such loans are repaid in their entirety within a specified time period after the sale of the loans;
- the change in fair value of IRLCs, FLSCs and recorded loans on the balance sheet, due to changes in estimated fair value, driven primarily by interest rates but also influenced by other assumptions; and
- capitalization of MSRs, representing the estimated fair value of newly originated MSRs when loans are sold and the associated servicing rights are retained.

Compensation earned by our clients, Independent Mortgage Brokers, is included in the cost of the loans we originate, and therefore netted within loan production income.

*Loan servicing income.* Loan servicing income consists of the contractual fees earned for servicing the loans and includes ancillary revenue such as late fees and modification incentives. Loan servicing income is recorded upon collection of payments from borrowers.

*Interest income.* Interest income represents interest earned on mortgage loans at fair value.

### Components of Operating Expenses

Our operating expenses include salaries, commissions and benefits, direct loan production costs, marketing, travel and entertainment, depreciation and amortization, servicing costs, general and administrative (including professional services, occupancy and equipment), interest expense, and other expense (income) (primarily related to the increase or decrease, respectively, in the fair value of the liability for the Public and Private Warrants, the increase or decrease, respectively, in the Tax Receivable Agreement liability, and the decrease or increase, respectively, in the fair value of retained investment securities).

### Three Months Ended March 31, 2024 and 2023 Summary

For the three months ended March 31, 2024, we originated \$27.6 billion in loans, which was an increase of \$5.3 billion, or 23.7%, from the \$22.3 billion of originations during the three months ended March 31, 2023. We reported net income of \$180.5 million during the three months ended March 31, 2024, which was an increase of \$319.1 million, compared to a net loss of \$138.6 million for the three months ended March 31, 2023. Adjusted EBITDA for the three months ended March 31, 2024 was \$101.5 million as compared to \$141.0 million for the three months ended March 31, 2023. Refer to the "Non-GAAP Financial Measures" section below for a detailed discussion of how we define and calculate Adjusted EBITDA.

### Non-GAAP Financial Measures

To provide investors with information in addition to our results as determined by U.S. GAAP, we disclose Adjusted EBITDA as a non-GAAP measure, which our management believes provides useful information on our performance to investors. This measure is not a measurement of our financial performance under U.S. GAAP, and it may not be comparable to a similarly titled measure reported by other companies. Adjusted EBITDA has limitations as an analytical tool, and it should not be considered in isolation or as an alternative to revenue, net income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity.

We define Adjusted EBITDA as earnings before interest expense on non-funding debt, provision for income taxes, depreciation and amortization, stock-based compensation expense, the change in fair value of MSRs due to valuation inputs or assumptions, the impact of non-cash deferred compensation expense, the change in fair value of the Public and Private Warrants, the change in the Tax Receivable Agreement liability, and the change in fair value of retained investment securities.

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We exclude the change in the Tax Receivable Agreement liability, the change in fair value of the Public and Private Warrants, the change in fair value of retained investment securities, and the change in fair value of MSRs due to valuation inputs or assumptions as these represent non-cash, non-realized adjustments to our earnings, which is not indicative of our performance or results of operations. Adjusted EBITDA includes interest expense on funding facilities, which are recorded as a component of interest expense, as these expenses are a direct operating expense driven by loan origination volume. By contrast, interest expense on non-funding debt is a function of our capital structure and is therefore excluded from Adjusted EBITDA. Non-funding debt includes the Company's senior notes, lines of credit, borrowings against investment securities, equipment notes payable, and finance leases.

We use Adjusted EBITDA to evaluate our operating performance, and it is one of the measures used by our management for planning and forecasting future periods. We believe the presentation of Adjusted EBITDA is relevant and useful for investors because it allows investors to view results in a manner similar to the method used by our management and may make it easier to compare our results with other companies that have different financing and capital structures.

The following table presents a reconciliation of net income (loss), the most directly comparable U.S. GAAP financial measure, to Adjusted EBITDA:

(\$ in thousands)	For the three months ended March 31,	
	2024	2023
Net income (loss)	\$ 180,531	\$ (138,613)
Interest expense on non-funding debt	40,243	42,703
Provision (benefit) for income taxes	3,733	(1,003)
Depreciation and amortization	11,340	11,670
Stock-based compensation expense	5,876	2,482
Change in fair value of MSRs due to valuation inputs or assumptions <sup>(1)</sup>	(141,059)	222,915
Deferred compensation, net <sup>(2)</sup>	1,063	1,081
Change in fair value of Public and Private Warrants <sup>(3)</sup>	(686)	2,098
Change in Tax Receivable Agreement liability <sup>(4)</sup>	180	250
Change in fair value of investment securities <sup>(5)</sup>	269	(2,589)
Adjusted EBITDA	\$ 101,490	\$ 140,994

- (1) Reflects the change ((increase)/decrease) in fair value of MSRs due to changes in valuation inputs or assumptions, including discount rates and prepayment speed assumptions, primarily due to changes in market interest rates. Refer to *Note 5 - Mortgage Servicing Rights* to the condensed consolidated financial statements.
- (2) Reflects management incentive bonuses under our long-term incentive plan that are accrued when earned, net of cash payments.
- (3) Reflects the change (increase/(decrease)) in the fair value of the Public and Private Warrants.
- (4) Reflects the change (increase/(decrease)) in the Tax Receivable Agreement liability. Refer to *Note 1 - Organization, Basis of Presentation and Summary of Significant Accounting Policies* to the condensed consolidated financial statements for additional information related to the Tax Receivable Agreement.
- (5) Reflects the change (decrease/(increase)) in the fair value of the retained investment securities.

**Results of Operations for the Three Months Ended March 31, 2024 and 2023**

(\$ in thousands)	For the three months ended March 31,	
	2024	2023
<b>Revenue</b>		
Loan production income	\$ 298,954	\$ 205,424
Loan servicing income	184,702	218,557
Change in fair value of mortgage servicing rights	(15,563)	(337,287)
Interest income	101,863	74,580
<b>Total revenue, net</b>	<b>569,956</b>	<b>161,274</b>
<b>Expenses</b>		
Salaries, commissions and benefits	154,241	121,003
Direct loan production costs	31,436	16,483
Marketing, travel, and entertainment	19,111	17,210
Depreciation and amortization	11,340	11,670
General and administrative	40,809	34,619
Servicing costs	30,324	36,862
Interest expense	98,668	63,284
Other income	(237)	(241)
<b>Total expenses</b>	<b>385,692</b>	<b>300,890</b>
<b>Earnings (loss) before income taxes</b>	<b>184,264</b>	<b>(139,616)</b>
<b>Provision (benefit) for income taxes</b>	<b>3,733</b>	<b>(1,003)</b>
<b>Net income (loss)</b>	<b>180,531</b>	<b>(138,613)</b>
<b>Net income (loss) attributable to non-controlling interest</b>	<b>171,801</b>	<b>(126,672)</b>
<b>Net income (loss) attributable to UWM Holdings Corporation</b>	<b>\$ 8,730</b>	<b>\$ (11,941)</b>

## Loan production income

The table below provides details of the composition of our loan production for each of the periods presented:

Loan Production Data: (\$ in thousands)	For the three months ended March 31,	
	2024	2023
<b>Loan origination volume by type</b>		
<b>Purchase:</b>		
Conventional	\$ 12,160,107	\$ 12,969,966
Government	7,567,925	5,623,050
Jumbo and other <sup>(1)</sup>	2,393,397	652,780
<b>Total purchase</b>	<b>\$ 22,121,429</b>	<b>\$ 19,245,796</b>
<b>Refinance:</b>		
Conventional	\$ 1,716,281	\$ 1,869,911
Government	2,657,541	941,775
Jumbo and other <sup>(1)</sup>	1,135,284	277,532
<b>Total refinance</b>	<b>5,509,106</b>	<b>3,089,218</b>
<b>Total loan origination volume</b>	<b>\$ 27,630,535</b>	<b>\$ 22,335,014</b>
<b>Portfolio metrics</b>		
Average loan amount	\$ 373	\$ 362
Weighted average loan-to-value ratio	82.37 %	83.51 %
Weighted average credit score	735	737
Weighted average note rate	6.62 %	6.20 %
<b>Percentage of loans sold</b>		
To GSEs	89 %	97 %
To other counterparties	11 %	3 %
Servicing-retained	91 %	98 %
Servicing-released	9 %	2 %

<sup>(1)</sup> Comprised of non-agency jumbo products, construction loans, and non-qualified mortgage products, including home equity lines of credit ("HELOCs") (which in many instances are second liens).

The components of loan production income for the periods presented were as follows:

(\$ in thousands)	For the three months ended March 31,		Change \$	Change %
	2024	2023		
Primary loss	\$ (314,098)	\$ (363,425)	\$ 49,327	(13.6)%
Loan origination fees	87,563	50,980	36,583	71.8 %
Provision for representation and warranty obligations	(10,462)	(7,527)	(2,935)	39.0 %
Capitalization of MSR	535,951	525,396	10,555	2.0 %
<b>Loan production income</b>	<b>\$ 298,954</b>	<b>\$ 205,424</b>	<b>\$ 93,530</b>	<b>45.5 %</b>
Gain margin <sup>(1)</sup>	1.08 %	0.92 %	0.16 %	

(1) Represents total loan production income divided by total loan origination volume for the applicable period.

Loan production income was \$299.0 million for the three months ended March 31, 2024, an increase of \$93.5 million, or 45.5%, as compared to \$205.4 million for the three months ended March 31, 2023. The increase in loan production income was primarily driven by an increase in loan production volume of \$5.3 billion, or 23.7%, from \$22.3 billion to \$27.6 billion during the three months ended March 31, 2024, as compared to the same period in 2023, as well as an increase in gain margin from 92 basis points for the three months ended March 31, 2023 to 108 basis points for the same period in 2024.

### Loan servicing income and Servicing costs

The table below summarizes loan servicing income and servicing costs for each of the periods presented (servicing costs include amounts paid to sub-servicers and other direct costs of servicing, but exclude the costs of team members that oversee UWM's servicing operations):

(\$ in thousands)	For the three months ended March 31,		Change \$	Change %
	2024	2023		
Contractual servicing fees	\$ 179,592	\$ 214,756	\$ (35,164)	(16.4)%
Late, ancillary and other fees	5,110	3,801	1,309	34.4 %
Loan servicing income	<u>\$ 184,702</u>	<u>\$ 218,557</u>	<u>\$ (33,855)</u>	<u>(15.5)%</u>
Servicing costs	30,324	36,862	(6,538)	(17.7)%

(\$ in thousands)	For the three months ended March 31,	
	2023	2022
Average UPB of loans serviced	\$ 259,577,321	\$ 313,918,441
Average number of loans serviced	795,367	969,954
Weighted average servicing fee as of period end	0.3036 %	0.2785 %

Loan servicing income was \$184.7 million for the three months ended March 31, 2024, a decrease of \$33.9 million, or 15.5%, as compared to \$218.6 million for the three months ended March 31, 2023. The decrease in loan servicing income during the three months ended March 31, 2024 was primarily driven by a decline in the average servicing portfolio, partially offset by higher average servicing fees.

Servicing costs decreased \$6.5 million for the three months ended March 31, 2024 as compared to the same period in 2023 as a result of lower loss mitigation expenses, a decline in the average servicing portfolio, and improved pricing with our sub-servicers.

As of the dates presented below, our loan servicing portfolio of loans serviced for others consisted of the following:

(\$ in thousands)	March 31,		December 31,	
	2024		2023	
UPB of loans serviced	\$	229,706,006	\$	299,456,189
Number of loans serviced		706,805		905,129
MSR portfolio delinquency count (60+ days) as % of total	1.15	%	1.15	%
Weighted average note rate	4.58	%	4.43	%
Weighted average service fee	0.3036	%	0.3029	%

### Change in Fair Value of Mortgage Servicing Rights

The change in fair value of MSRs was a net decrease of \$15.6 million for the three months ended March 31, 2024 as compared with a net decrease of \$337.3 million for the three months ended March 31, 2023. The net decrease in fair value of MSRs for the three months ended March 31, 2024 was primarily attributable to a decline in fair value of approximately \$128.2 million due to realization of cash flows, decay, and other (including loans paid in full) and approximately \$28.4 million of net reserves and transaction costs for bulk MSR sales and sales of excess servicing cash flows, offset by an increase in fair value of approximately \$141.1 million due to changes in valuation inputs and assumptions, mainly as a result of increases in market interest rates. The net decrease in fair value for the three months ended March 31, 2023 of approximately \$337.3 million was attributable to a decrease of approximately \$222.9 million resulting from changes in valuation inputs and assumptions, primarily due to changes in market interest rates, a decline of approximately \$96.3 million due to realization of cash flows, decay, and other (including loans paid in full) and approximately \$18.1 million of net reserves and transaction costs for bulk MSR sales and sales of excess servicing cash flows.

### Interest income and Interest expense

For the periods presented below, interest income and the components of and total interest expense were as follows:

(\$ in thousands)	For the three months ended March 31,	
	2024	2023
Interest income	\$ 101,863	\$ 74,580
Less: Interest expense on funding facilities	58,425	20,581
Net interest income	\$ 43,438	\$ 53,999
Interest expense on non-funding debt	\$ 40,243	\$ 42,703
Total interest expense	98,668	63,284

Net interest income (interest income less interest expense on funding facilities) was \$43.4 million for the three months ended March 31, 2024, a decrease of \$10.6 million, or 20%, as compared to \$54.0 million for the three months ended March 31, 2023, as a result of an increase in interest income along with an increase in interest expense on funding facilities. Interest income increased due to higher average balances of mortgage loans at fair value, partially offset by lower average note rates on mortgage loans at fair value. Interest expense on funding facilities increased due to higher average warehouse balances and higher interest rates on warehouse facilities, all of which are variable based on short-term interest rate benchmarks (which were higher in the first quarter of 2024) plus a spread, partially offset by higher credits from warehouse lenders on custodial and other deposits.

Interest expense on non-funding debt was \$40.2 million for the three months ended March 31, 2024, a slight decrease from \$42.7 million for the three months ended March 31, 2023, primarily due to a decrease in average borrowings on the MSR facilities.

#### Other costs

Other costs (excluding servicing costs and interest expense, explained above) for the periods presented below were as follows:

	For the three months ended March 31,		Change \$	Change %
	2024	2023		
Salaries, commissions and benefits	\$ 154,241	\$ 121,003	\$ 33,238	27.5 %
Direct loan production costs	31,436	16,483	14,953	90.7 %
Marketing, travel, and entertainment	19,111	17,210	1,901	11.0 %
Depreciation and amortization	11,340	11,670	(330)	(2.8) %
General and administrative	40,809	34,619	6,190	17.9 %
Other income	(237)	(241)	4	(1.7) %
<b>Other costs</b>	<b>\$ 256,700</b>	<b>\$ 200,744</b>	<b>\$ 55,956</b>	<b>27.9 %</b>

Other costs were \$256.7 million for the three months ended March 31, 2024, an increase of \$56.0 million, or 27.9%, as compared to \$200.7 million for the three months ended March 31, 2023. This increase was primarily due to an increase in salaries, commissions and benefits of \$33.2 million, or 27.5%, primarily due to an increase in average team member count, an increase in direct loan production costs of \$15.0 million primarily due to costs associated with our 1% down payment assistance program (launched in the second quarter of 2023) as well as increased loan production volume, an increase in general and administrative expense of \$6.2 million primarily due to increases in occupancy and equipment expenses and professional service fees, as well as an increase in marketing, travel and entertainment expenses of \$1.9 million from our continued investment in our broker relationships through broker visits and training programs.

#### Income Taxes

We recorded a \$3.7 million provision for income taxes during the three months ended March 31, 2024, compared to a benefit for income taxes of \$1.0 million for the three months ended March 31, 2023. The increase in income tax provision for the three months ended March 31, 2024, as compared to the same period in 2023, was primarily due to the increase in pre-tax income attributable to the Company.

#### Net income (loss)

Net income was \$180.5 million for the three months ended March 31, 2024, an increase of \$319.1 million or 230.2%, as compared to net loss of \$138.6 million for the three months ended March 31, 2023. The increase in net income was primarily

the result of an increase in total revenue, net of \$408.7 million, partially offset by an increase in total expenses (including income taxes) of \$89.5 million, as further described above.

Net income attributable to the Company of \$8.7 million and net loss attributable to the Company of \$11.9 million for the three months ended March 31, 2024 and 2023, respectively, includes the net income (loss) of UWM attributable to the Company due to its approximate 6% ownership interest in Holdings LLC for these periods.

## **Liquidity and Capital Resources**

### **Overview**

Historically, our primary sources of liquidity have included:

- borrowings including under our warehouse facilities and other financing facilities;
- cash flow from operations and investing activities, including:
  - sale or securitization of loans into the secondary market;
  - loan origination fees;
  - servicing fee income;
  - interest income on mortgage loans; and
  - sale of MSRs and excess servicing cash flows.

Historically, our primary uses of funds have included:

- origination of loans;
- retention of MSRs from our loan sales;
- payment of interest expense;
- payment of operating expenses; and
- dividends on, and repurchases of, our Class A common stock and distributions to SFS Corp., including tax distributions.

Our consolidated subsidiary, Holdings LLC, is generally required from time to time to make distributions in cash to SFS Corp. (as well as distributions to UWMC) in amounts sufficient to cover the taxes on its allocable share of the taxable income of Holdings LLC. We are also subject to contingencies which may have a significant impact on the use of our cash, including our obligations under the Tax Receivable Agreement that we entered into with SFS Corp. at the time of initial listing.

To originate and aggregate loans for sale or securitization into the secondary market, we use our own working capital and borrow or obtain funding on a short-term basis primarily through uncommitted and committed warehouse facilities that we have established with large global banks, regional or specialized banks and certain agencies.

We continually evaluate our capital structure and capital resources to optimize our leverage and profitability and take advantage of market opportunities. As part of such evaluation, we regularly review our levels of secured and unsecured indebtedness and available equity, our strategic investments, including technology and growth of the wholesale channel, the availability or desirability of growth through the acquisition of other companies or other mortgage portfolios, the repurchase or redemption of our outstanding indebtedness, or repurchases of our common stock or common stock derivatives.

### **Loan Funding Facilities**

#### **Warehouse facilities**

Our warehouse facilities, which are our primary loan funding facilities used to fund the origination of our mortgage loans, are primarily in the form of master repurchase agreements. Loans financed under these facilities are generally financed, on average, at approximately 97% to 98% of the principal balance of the loan, which requires us to fund the remaining 2-3% of the unpaid principal balance from cash generated from our operations. Once closed, the underlying residential mortgage loan is pledged as collateral for the borrowing or advance that was made under these loan funding facilities. In most cases, the loans we originate will remain in one of our warehouse facilities for less than one month, until the loans are pooled and sold. During the

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time we hold the loans pending sale, we earn interest income from the borrower on the underlying mortgage loan note. This income is partially offset by the interest and fees we have to pay under the warehouse facilities. Interest rates under the warehouse facilities are typically based on a reference interest rate benchmark plus a spread.

When we sell or securitize a pool of loans, the proceeds we receive from the sale or securitization of the loans are used to pay back the amounts we owe on the warehouse facilities. The remaining funds received then become available to be re-advanced to originate additional loans. We are dependent on the cash generated from the sale or securitization of loans to fund future loans and repay borrowings under our warehouse facilities. Delays or failures to sell or securitize loans in the secondary market could have an adverse effect on our liquidity position.

From a cash flow perspective, the vast majority of cash received from mortgage originations occurs at the point the loans are sold or securitized into the secondary market. The vast majority of servicing fee income relates to the retained servicing fee on the loans, where cash is received monthly over the life of the loan and is typically a product of the borrowers' current unpaid principal balance multiplied by the weighted average service fee. For a given mortgage loan, servicing revenue from the retained servicing fee declines over time as the principal balance of the loan is reduced.

The amount of financing advanced to us under our warehouse facilities, as determined by agreed upon advance rates, may be less than the stated advance rate depending, in part, on the fair value of the mortgage loans securing the financings and premium we pay the broker. Each of our warehouse facilities allows the bank extending the advances to evaluate regularly the market value of the underlying loans that are serving as collateral. If a bank determines that the value of the collateral has decreased, the bank can require us to provide additional collateral (e.g., initiate a margin call) or reduce the amount outstanding with respect to the corresponding loan. Our inability to satisfy the request could result in the termination of the facility and, depending on the terms of our agreements, possibly result in a default being declared under our other warehouse facilities.

Warehouse lenders generally conduct daily evaluations of the adequacy of the underlying collateral for the warehouse loans based on the fair value of the mortgage loans. As the loans are generally financed at 97% to 98% of principal balance and our loans are typically outstanding on warehouse lines for short periods (e.g., less than one month), significant increases in market interest rates would be required for us to experience margin calls or requirements to reduce the amount outstanding with respect to the corresponding loan from a majority of our warehouse lenders. Four of our warehouse lines advance based on the fair value of the loans, rather than principal balance. For those lines, we exchange collateral for modest changes in value. As of March 31, 2024, there were no outstanding exchanges of collateral.

The amount owed and outstanding on our warehouse facilities fluctuates based on our origination volume, the amount of time it takes us to sell the loans we originate, our cash on hand, and our ability to obtain additional financing. From time to time, we will increase or decrease the size of the lines to reflect anticipated increases or decreases in volume, strategies regarding the timing of sales of mortgages to the GSEs or secondary markets and costs associated with not utilizing the lines. We reserve the right to arrange for the early payment of outstanding loans and advances from time to time. As we accumulate loans, a significant portion of our total warehouse facilities may be utilized to fund loans.

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The table below reflects the current line amounts of our principal warehouse facilities and the amounts advanced against those lines as of March 31, 2024:

Facility Type	Collateral	Line Amount as of March 31, 2024 <sup>1</sup>	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	Total Advanced Against Line as of March 31, 2024 (in thousands)
<b>MRA Funding:</b>					
Master Repurchase Agreement	Mortgage Loans	\$500 Million	2/29/2012	5/17/2024	\$ 495,494
Master Repurchase Agreement	Mortgage Loans	\$1.0 Billion	7/24/2020	8/29/2024	667,436
Master Repurchase Agreement	Mortgage Loans	\$200 Million	10/30/2020	11/5/2024	134,726
Master Repurchase Agreement	Mortgage Loans	\$300 Million	2/26/2016	12/19/2024	298,965
Master Repurchase Agreement	Mortgage Loans	\$1.0 Billion	7/10/2012	1/6/2025	581,289
Master Repurchase Agreement	Mortgage Loans	\$2.5 Billion	12/31/2014	2/19/2025	1,699,090
Master Repurchase Agreement	Mortgage Loans	\$500 Million	3/7/2019	2/20/2025	375,601
Master Repurchase Agreement	Mortgage Loans	\$250 Million	4/23/2021	4/23/2025	220,407
Master Repurchase Agreement	Mortgage Loans	\$3.0 Billion	5/9/2019	11/28/2025	2,173,445
<b>Early Funding:</b>					
Master Repurchase Agreement	Mortgage Loans	\$600 Million (ASAP+ - see below)		No expiration	—
Master Repurchase Agreement	Mortgage Loans	\$750 Million (EF - see below)		No expiration	35,464
					<b>\$ 6,681,917</b>

<sup>1</sup> An aggregate of \$750 million of these line amounts is committed as of March 31, 2024.

#### Early Funding Programs

We are an approved lender for loan early funding facilities with Fannie Mae through its As Soon As Pooled Plus ("ASAP+") program and Freddie Mac through its Early Funding ("EF") program. As an approved lender for these early funding programs, we enter into an agreement to deliver closed and funded one-to-four family residential mortgage loans, each secured by related mortgages and deeds of trust, and receive funding in exchange for such mortgage loans in some cases before the lender has grouped them into pools to be securitized by Fannie Mae or Freddie Mac. All such mortgage loans must adhere to a set of eligibility criteria to be acceptable. As of March 31, 2024, no amount was outstanding under the ASAP+ program and \$35.5 million was outstanding through the EF program.

#### Covenants

Our warehouse facilities generally require us to comply with certain operating and financial covenants and the availability of funds under these facilities is subject to, among other conditions, our continued compliance with these covenants. These financial covenants include, but are not limited to, maintaining (i) a certain minimum tangible net worth, (ii) minimum liquidity, (iii) a maximum ratio of total liabilities or total debt to tangible net worth, and (iv) profitability. A breach of these covenants can result in an event of default under these facilities and as such would allow the lenders to pursue certain remedies. In addition, each of these facilities, as well as our secured and unsecured lines of credit, includes cross default or cross acceleration provisions that could result in all facilities terminating if an event of default or acceleration of maturity occurs under any facility. We were in compliance with all covenants under these facilities as of March 31, 2024.

#### Other Financing Facilities

##### Senior Notes

On November 3, 2020, our consolidated subsidiary, UWM, issued \$800.0 million in aggregate principal amount of senior unsecured notes due November 15, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2025 Senior Notes is due semi-annually on May 15 and November 15 of each year. We used approximately \$500.0 million of the net proceeds from the offering of 2025 Senior Notes for general corporate purposes to fund future growth and distributed the remainder to SFS Corp. for tax distributions.

Beginning on November 15, 2022, we may, at our option, redeem the 2025 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: November 15, 2022 at 102.750%; November 15, 2023 at 101.375%; or November 15, 2024 until maturity at 100%, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

On April 7, 2021, our consolidated subsidiary, UWM, issued \$700.0 million in aggregate principal amount of senior unsecured notes due April 15, 2029 (the "2029 Senior Notes"). The 2029 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2029 Senior Notes is due semi-annually on April 15 and October 15 of each year. We used a portion of the proceeds from the issuance of the 2029 Senior Notes to pay off and terminate a line of credit that was in place at the time of issuance, and the remainder for general corporate purposes.

On or after April 15, 2024, we may, at our option, redeem the 2029 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: April 15, 2024 at 102.750%; April 15, 2025 at 101.375%; or April 15, 2026 until maturity at 100%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to April 15, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, we may, at our option, redeem the 2029 Senior Notes prior to April 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

On November 22, 2021, our consolidated subsidiary, UWM, issued \$500.0 million in aggregate principal amount of senior unsecured notes due June 15, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes accrue interest at a rate of 5.750% per annum. Interest on the 2027 Senior Notes is due semi-annually on June 15 and December 15 of each year. We used the proceeds from the issuance of the 2027 Senior Notes for general corporate purposes.

On or after June 15, 2024, we may, at our option, redeem the 2027 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: June 15, 2024 at 102.875%; June 15, 2025 at 101.438%; or June 15, 2026 until maturity at 100%, of the principal amount of the 2027 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to June 15, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of the 2027 Senior Notes originally issued at a redemption price of 105.750% of the principal amount of the 2027 Senior Notes redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, we may, at our option, redeem the 2027 Senior Notes prior to June 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

The indentures governing the 2025 Senior Notes, the 2029 Senior Notes, and the 2027 Senior Notes contain certain operating covenants and restrictions, subject to a number of exceptions and qualifications, including restrictions on our ability to (1) incur additional non-funding indebtedness unless either (y) the Fixed Charge Coverage Ratio (as defined in the applicable indenture) is no less than 3.0 to 1.0 or (z) the Debt-to-Equity Ratio (as defined in the applicable indenture) does not exceed 2.0 to 1.0, (2) merge, consolidate or sell assets, (3) make restricted payments, including distributions, (4) enter into transactions with affiliates, (5) enter into sale and leaseback transactions and (6) incur liens securing indebtedness. We were in compliance with the terms of these indentures as of March 31, 2024.

#### **MSR Facilities**

On September 30, 2022, the Company's consolidated subsidiary, UWM, entered into a Loan and Security Agreement with Citibank, N.A. ("Citibank"), providing UWM with up to \$1.5 billion of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "Citi MSR Facility"). The Citi MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria. Available borrowings, as well as mandatory curtailments, under the Citi MSR Facility are based on the fair market value of the collateral, and borrowings under the Citi MSR Facility bear interest based on one-month term SOFR plus an applicable margin. The Citi MSR Facility has a maturity date of November 5, 2024. As of March 31, 2024, \$100.0 million was outstanding under the Citi MSR Facility.

The Citi MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of March 31, 2024, we were in compliance with all applicable covenants.

On January 30, 2023, UWM, entered into Amendment No. 1 to the Loan and Security Agreement with Citibank, permitting UWM, with the prior consent of Citibank, to enter into transactions for the sale of excess servicing cash flows (as discussed below) whereby Citibank will release its security interest in that portion of the collateral.

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On March 20, 2023, our consolidated subsidiary, UWM, entered into a Credit Agreement with Goldman Sachs Bank USA, providing UWM with up to \$500.0 million of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "GNMA MSR facility"). The GNMA MSR facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitization by Ginnie Mae that meet certain criteria. Available borrowings, as well as mandatory curtailments, under the GNMA MSR facility are based on the fair market value of the collateral. Borrowings under the GNMA MSR facility bear interest based on SOFR plus an applicable margin. On March 20, 2024, UWM entered into the First Amendment to Credit Agreement with Goldman Sachs Bank USA. The First Amendment removed the minimum utilization fee on undrawn amounts and extended the maturity date of the GNMA MSR Facility to March 20, 2027. All other material terms of the GNMA MSR facility remained the same. The draw period for the GNMA MSR facility ends on March 20, 2026. As of March 31, 2024, \$100.0 million was outstanding under the GNMA MSR facility.

The GNMA MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of March 31, 2024, we were in compliance with all applicable covenants.

#### ***Revolving Credit Facility***

On August 8, 2022, UWM entered into the Revolving Credit Agreement, between UWM, as the borrower, and SFS Corp., as the lender. The Revolving Credit Agreement provides for, among other things, a \$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility had an initial one-year term and automatically renews for successive one-year periods unless terminated by either party. Amounts borrowed under the Revolving Credit Facility may be borrowed, repaid and reborrowed from time to time, and accrue interest at the Applicable Prime Rate (as defined in the Revolving Credit Agreement). UWM may utilize the Revolving Credit Facility in connection with: (i) operational and investment activities, including but not limited to funding and/or advances related to (a) servicing rights, (b) 'scratch and dent' loans, (c) margin requirements, and (d) equity in loans held for sale; and (ii) general corporate purposes.

The Revolving Credit Agreement contains certain financial and operating covenants and restrictions, subject to a number of exceptions and qualifications, and the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. We were in compliance with these covenants as of March 31, 2024. No amounts were outstanding under the Revolving Credit Facility as of March 31, 2024.

#### ***Borrowings Against Investment Securities***

In 2021, our consolidated subsidiary, UWM, began selling some of the mortgage loans that it originates through private label securitization transactions. In executing these transactions, UWM sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The securitization entities are funded through the issuance of beneficial interests in the securitized assets. The beneficial interests take the form of trust certificates, some of which are sold to investors and some of which may be retained by UWM due to regulatory requirements. UWM entered into sale and repurchase agreements for a portion of the retained beneficial interests in the securitization trusts established to facilitate its private label securitization transactions which have been accounted for as borrowings against investment securities. As of March 31, 2024, we had \$94.1 million outstanding under individual trades executed pursuant to a master repurchase agreement with a counterparty which is collateralized by the investment securities (beneficial interests in the trusts) that we retained due to regulatory requirements. The borrowings against investment securities have remaining terms ranging from one to two months as of March 31, 2024, and interest rates based on SOFR plus a spread. We intend to renew these sale and repurchase agreements upon their maturity during the required holding period for the retained investment securities.

The counterparty under these sale and repurchase agreements conducts daily evaluations of the adequacy of the underlying collateral based on the fair value of the retained investment securities less specified haircuts. These investment securities are financed on average at approximately 73% of the outstanding principal balance, and exchanges of cash collateral are required if the fair value of the retained investment securities less the haircut is less than the principal balance plus accrued interest on the secured borrowings. As of March 31, 2024, we had delivered \$1.1 million of collateral to the counterparty under these sale and repurchase agreements.

#### ***Finance Leases***

As of March 31, 2024, our finance lease liabilities were \$28.5 million, \$25.9 million of which relates to leases with related parties. The Company's financing lease agreements have remaining terms ranging from approximately three months to twelve years.

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**Cash flow data for the three months ended March 31, 2024 and 2023**

(\$ in thousands)	For the three months ended March 31,	
	2024	2023
Net cash (used in) provided by operating activities	\$ (2,202,740)	\$ 1,992,922
Net cash provided by investing activities	1,287,502	644,369
Net cash provided by (used in) financing activities	1,023,409	(2,602,126)
Net increase in cash and cash equivalents	\$ 108,171	\$ 35,165
Cash and cash equivalents at the end of the period	605,639	740,063

**Net cash (used in) provided by operating activities**

Net cash used in operating activities was \$2.20 billion for the three months ended March 31, 2024 compared to net cash provided by operating activities of \$1.99 billion for the same period in 2023. The decrease in cash flows from operating activities year-over-year was primarily driven by the increase in mortgage loans at fair value in the period ended March 31, 2024, as compared to a decrease in mortgage loans at fair value in the period ended March 31, 2023.

**Net cash provided by (used in) investing activities**

Net cash provided by investing activities was \$1.29 billion for the three months ended March 31, 2024 compared to \$644.4 million of net cash provided by investing activities for the same period in 2023. The increase in cash flows provided by investing activities was primarily driven by an increase in proceeds from the sales of MSRs and excess servicing cash flows.

**Net cash provided by financing activities**

Net cash provided by financing activities was \$1.02 billion for the three months ended March 31, 2024 compared to cash used in financing activities of \$2.60 billion for the same period in 2023. Net cash provided by financing activities for the three-months ended March 31, 2024 was primarily driven by net borrowings under warehouse lines of credit (due to the increase in mortgage loans at fair value), partially offset by net repayments on our MSR facilities, member distributions (including tax distributions) and dividends. Net cash used in financing activities for the three-months ended March 31, 2023 was primarily driven by net repayments under warehouse lines of credit (due to the decrease in mortgage loans at fair value), along with net repayments on our MSR facilities, member distributions and dividends.

**Contractual Obligations**
**Cash requirements from contractual and other obligations**

As of March 31, 2024, our material cash requirements from known contractual and other obligations include interest and principal payments under our Senior Notes, principal payments under our borrowings against investment securities, interest and principal payments under our MSR Facility and GNMA MSR Facility, payments under our financing and operating lease agreements, and required tax distributions to SFS Corp. There have been no other material changes in the cash requirements from known contractual and other obligations since December 31, 2023.

During the first quarter of 2024, the Board declared a dividend of \$0.10 per share of Class A common stock for an aggregate \$9.4 million. Concurrently with this declaration, the Board, in its capacity as the Manager of Holdings LLC, under the Holdings LLC Second Amended and Restated Operating Agreement, approved a proportional distribution of \$150.2 million from Holdings LLC to SFS Corp. with respect to Class B Units of Holdings LLC. The dividend and the distributions were paid on April 11, 2024.

Our consolidated subsidiary, Holdings LLC, is generally required from time to time to make distributions in cash to SFS Corp. (as well as distributions to UWMC) in amounts sufficient to cover the taxes on its allocable share of the taxable income of Holdings LLC. In April 2024, Holdings LLC made a \$25.6 million tax distribution to SFS Corp. and a proportional \$1.6 million tax distribution was made by Holdings LLC to UWMC.

The sources of funds needed to satisfy these cash requirements include cash flows from operations and investing activities, including cash flows from sales of MSRs and excess servicing cash flows, sale or securitization of loans into the secondary market, loan origination fees, servicing fee income, and interest income on mortgage loans.

**Repurchase and indemnification obligations**

Loans sold to investors which we believe met investor and agency underwriting guidelines at the time of sale may be subject to repurchase in the event of specific default by the borrower or subsequent discovery that underwriting or documentation standards were not explicitly satisfied. We establish a reserve which is estimated based on an assessment of our contingent and non-contingent obligations, including expected losses, expected frequency, the overall potential remaining exposure, as well as an estimate for a market participant's potential readiness to stand by to perform on such obligations. See *Note 8 - Commitments and Contingencies* to the condensed consolidated financial statements for further information.

**Interest rate lock commitments, loan sale and forward commitments**

In the normal course of business, we are party to financial instruments with off-balance sheet risk. These financial instruments include commitments to extend credit to borrowers at either fixed or floating interest rates. IRLCs are binding agreements to lend to a borrower at a specified interest rate within a specified period of time as long as there is no violation of conditions established in the contract. Forward commitments generally have fixed expiration dates or other termination clauses which may require payment of a fee. As many of the commitments expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. In addition, we have contracts to sell loans into the secondary market at specified future dates (commitments to sell loans), and forward commitments to sell MBS at specified future dates and interest rates. The blended average pullthrough rate was 79% and 76% as of March 31, 2024 and December 31, 2023, respectively.

Following is a summary of the notional amounts of commitments as of dates indicated:

(\$ in thousands)	March 31, 2024	December 31, 2023
Interest rate lock commitments—fixed rate (a)	\$ 9,339,930	\$ 6,258,801
Interest rate lock commitments—variable rate (a)	—	5,926
Commitments to sell loans	2,830,703	2,501,298
Forward commitments to sell mortgage-backed securities	10,020,802	7,968,677

(a) Adjusted for pullthrough rates of 79% and 76%, respectively.

As of March 31, 2024, we had sold \$2.1 billion of loans to a global insured depository institution and assigned the related trades to deliver the applicable loans into securities for end investors for settlement in April 2024.

**Critical Accounting Estimates and Use of Significant Estimates**

Preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We have identified certain accounting estimates as being critical because they require management's judgement to make difficult, subjective or complex judgements about matters that are uncertain. Actual results could differ and the use of other assumptions or estimates could result in material differences in our condensed consolidated financial statements. Our critical accounting policies and estimates relate to accounting for mortgage loans held at fair value and revenue recognition, mortgage servicing rights, derivative financial instruments and representations and warranties reserve. There were no significant changes to our policies, methodologies, or processes used in applying our critical accounting estimates from what was described in our 2023 Annual Report on Form 10-K.

### Cautionary Note Regarding Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements relate to expectations for future financial performance, business strategies or expectations for our business. Specifically, forward-looking statements in this report include statements relating to:

- our financial and operational performance;
- our future growth, including our loan originations and position in the industry compared to our peers;
- our client-based business strategies, strategic initiatives, technological developments and product pipeline;
- the impact of interest rate risks on our business;
- our ability to renew our sale and repurchase and other financing agreements, and the impacts of counterparty risks on our business;
- our mitigation of credit risks and the impacts of defaults on our business, as well as our risk mitigation strategies;
- our accounting policies and recent amendments to the FASB regulations, and the impacts to our agreements and financial results;
- macroeconomic conditions that may affect our business and the mortgage industry in general;
- political and geopolitical conditions that may affect our business and the mortgage industry in general;
- our utilization of our warehouse facilities, MSR facilities, and Revolving Credit Facility;
- the impact of litigation on our financial position;
- the sufficiency of our insurance coverage;
- our repurchase and indemnification obligations; and
- other statements preceded by, followed by or that include the words “may,” “can,” “should,” “will,” “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “target” or similar expressions.

These forward-looking statements involve estimates and assumptions which may be affected by risks and uncertainties in our business, as well as other external factors, which could cause future results to materially differ from those expressed or implied in any forward-looking statement including the following risks:

- our dependence on macroeconomic and U.S. residential real estate market conditions, including changes in U.S. monetary policies that affect interest rates;
  - the impact of inflation and other macroeconomic conditions on housing pricing, demand for mortgages and the ability of borrowers to qualify for and afford mortgages;
  - our reliance on our warehouse and other short-term financing facilities to fund mortgage loans and otherwise operate our business, leveraging of assets under these facilities and the risk of a decrease in the value of the collateral underlying certain of our facilities causing an unanticipated margin call or curtailment, as well as changes in banking regulations and capital requirements which may impact the availability of warehouse financing or otherwise affect liquidity in the residential mortgage industry;
  - our ability to sell loans in the secondary market, including to government sponsored enterprises, and to securitize our loans into mortgage-backed securities through the GSEs and Ginnie Mae;
  - our dependence on the GSEs and the risk of changes to these entities and their roles, including, as a result of GSE reform, termination of conservatorship or efforts to increase the capital levels of the GSEs;
  - changes in the GSEs', FHA, USDA and VA guidelines or GSE and Ginnie Mae guarantees;
  - our dependence on licensed residential mortgage officers or entities, including brokers that arrange for funding of mortgage loans, or banks, credit unions or other entities that use their own funds or warehouse facilities to fund mortgage loans, but in any case do not underwrite or otherwise make the credit decision with regard to such mortgage loans to originate mortgage loans;
  - our inability to continue to grow, or to effectively manage the growth of, our loan origination volume;
  - our ability to continue to attract and retain our Independent Mortgage Broker relationships;
  - the occurrence of a data breach or other failure in our cybersecurity or information security systems;
  - reliance on third-party software and services in our operations;
  - reliance on third-party sub-servicers to service our mortgage loans or our mortgage servicing rights;
  - the occurrence of data breaches or other cybersecurity failures at our third-party sub-servicers or other vendors;
  - intense competition in the mortgage industry;
  - our ability to implement and maintain technological innovations in our operations;
-

- loss of key management;
- risks relating to SOFR and the volatility of reference rates;
- our ability to continue to comply with the complex state and federal laws regulations or practices applicable to mortgage loan origination and servicing in general, including maintaining the appropriate state licenses, managing the costs and operational risk associated with material changes to such laws;
- errors or the ineffectiveness of internal and external models or data we rely on to manage risk and make business decisions;
- risk of counterparty terminating servicing rights and contracts;
- the risk that we are or may become subject to legal actions that if decided adversely, could be detrimental to our business; and
- those risks described in Item 1A - Risk Factors in our 2023 Annual Report on Form 10-K, as well as those described from time to time in our other filings with the SEC.

All forward-looking statements speak only as of the date of this report and should not be relied upon as representing our views as of any subsequent date. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

In the normal course of business, we are subject to a variety of risks which can affect our operations and profitability. We broadly define these areas of risk as interest rate, credit and counterparty risk.

#### ***Interest rate risk***

We are subject to interest rate risk which may impact our origination volume and associated revenue, MSR valuations, IRLCs and mortgage loans at fair value valuations, and the net interest margin derived from our funding facilities. The fair value of MSRs is driven primarily by interest rates, which impact expected prepayments. In periods of rising interest rates, the fair value of the MSRs generally increases as expected prepayments decrease, consequently extending the estimated life of the MSRs, and estimated float earnings increase, resulting in expected increases in cash flows. In a declining interest rate environment, the fair value of MSRs generally decreases as expected prepayments increase consequently truncating the estimated life of the MSRs, and estimated float earnings decrease, resulting in expected decreases in cash flows. Because origination volumes tend to increase in declining interest rate environments and decrease in increasing rate environments, we believe that our origination business provides a natural hedge to servicing. We periodically evaluate our overall interest rate risk management strategy with respect to MSRs, which includes consideration of our natural business model hedge, regular sales of MSRs and excess servicing cash flows, and the effectiveness of entering into financial instruments to specifically hedge all or a portion of our MSR portfolio. While we have typically focused on the natural business model hedge and on regular MSR sales as part of our MSR interest rate risk management activities and have not historically specifically hedged MSRs using derivative or other financial instruments, we will continue to periodically monitor, evaluate and adjust our hedging strategy for MSRs based on our evaluation of the composition of our servicing portfolio and relevant market conditions.

Our IRLCs and mortgage loans at fair value are exposed to interest rate volatility. During the origination, pooling, and delivery process, this pipeline value rises and falls with changes in interest rates. Because substantially all of our production is deliverable to Fannie Mae, Freddie Mac, and Ginnie Mae, we predominately utilize forward agency or Ginnie Mae To Be Announced ("TBA") securities as our primary hedge instrument. The TBA market is a secondary market where FLSCs or TBAs are sold by lenders seeking to hedge the risk that market interest rates may change and lock in a price for the mortgages they are in the process of originating.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on fair values based on hypothetical changes (increases and decreases) in interest rates. Our total market risk is influenced by a wide variety of factors including market volatility and the liquidity of the markets. There are certain limitations inherent in the sensitivity analysis presented, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled. We used March 31, 2024 market rates on our instruments to perform the sensitivity analysis. These sensitivities are hypothetical and presented for illustrative purposes only. Changes in fair value based on variations in assumptions generally cannot be extrapolated to our performance because the relationship of the change in fair value may not be linear nor does it factor ongoing operations. The following table summarizes the estimated change in the fair value of our mortgage loans at fair

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value, MSRs, IRLCs and FLSCs as of March 31, 2024 given hypothetical instantaneous parallel shifts in the yield curve. Actual results could differ materially.

(\$ in thousands)	March 31, 2024	
	Down 25 bps	Up 25 bps
Increase (decrease) in assets		
Mortgage loans at fair value	\$ 45,040	\$ (48,795)
MSRs	(98,739)	97,441
IRLCs	55,116	(63,501)
Total change in assets	\$ 1,417	\$ (14,855)
Increase (decrease) in liabilities		
FLSCs	\$ (97,677)	\$ 106,789
Total change in liabilities	\$ (97,677)	\$ 106,789

#### Credit risk

We are subject to credit risk, which is the risk of default that results from a borrower's inability or unwillingness to make contractually required mortgage payments. While our loans are sold into the secondary market without recourse, we do have repurchase and indemnification obligations to investors for breaches under our loan sale agreements. For loans that were repurchased or not sold in the secondary market, we are subject to credit risk to the extent a borrower defaults and the proceeds upon ultimate foreclosure and liquidation of the property are insufficient to cover the amount of the mortgage loan plus expenses incurred. We believe that this risk is mitigated through the implementation of stringent underwriting standards, strong fraud detection tools and technology designed to comply with applicable laws and our standards. In addition, we believe that this risk is mitigated through the quality of our loan portfolio. For the three months ended March 31, 2024, our originated loans had a weighted average loan to value ratio of 82.37%, and a weighted average FICO score of 735. For the three months ended March 31, 2023, our originated loans had a weighted average loan to value ratio of 83.51%, and a weighted average FICO score of 737.

#### Counterparty risk

We are subject to risk that arises from our financing facilities and interest rate risk hedging activities. These activities generally involve an exchange of obligations with unaffiliated banks or companies, referred to in such transactions as "counterparties." If a counterparty were to default, we could potentially be exposed to financial loss if such counterparty were unable to meet its obligations to us. We manage this risk by selecting only counterparties that we believe to be financially strong, spreading the risk among many such counterparties, limiting singular credit exposures on the amount of unsecured credit extended to any single counterparty, and entering into master netting agreements with the counterparties as appropriate.

In accordance with the best practices outlines by The Treasury Market Practices Group, we execute Securities Industry and Financial Markets Association trading agreements with all material trading partners. Each such agreement provides for an exchange of margin should either party's exposure exceed a predetermined contractual limit. Such margin requirements limit our overall counterparty exposure. The master netting agreements contain a legal right to offset amounts due to and from the same counterparty. We incurred no losses due to nonperformance by any of our counterparties during the three months ended March 31, 2024 or March 31, 2023.

Also, in the case of our financing facilities, we are subject to risk if the counterparty chooses not to renew a borrowing agreement and we are unable to obtain financing to originate mortgage loans. With our financing facilities, we seek to mitigate this risk by ensuring that we have sufficient borrowing capacity with a variety of well-established counterparties to meet our funding needs as well as fostering long-term relationships.

#### Item 4. Controls and Procedures

##### Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or



submitted under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Principal Executive Officer and Principal Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2024. Based upon their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

#### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **PART II**

#### **Item 1. Legal Proceedings**

We operate in a heavily regulated industry that is highly sensitive to consumer protection, and we are subject to numerous federal, state and local laws. We are routinely involved in consumer complaints, regulatory actions and legal proceedings in the ordinary course of our business. We are also routinely involved in state regulatory audits and examinations, and occasionally involved in other governmental proceedings arising in connection with our respective business. The resolution of these matters, including the matters specifically described below, is not currently expected to have a material adverse effect on our financial position, financial performance or cash flows.

On April 23, 2021, a complaint was filed in the U.S. District Court for the Middle District of Florida against the Company and Mat Ishbia, individually by The Okavage Group, LLC ("Okavage") on behalf of itself and all other mortgage brokers who are, or have been clients of UWM and either Fairway Independent Mortgage or Rocket Pro TPO. After the Company and Mat Ishbia filed a motion to dismiss the complaint, Okavage filed a motion for leave to amend its complaint on August 2, 2021, and on August 3, 2021, the Court granted Okavage's motion and ordered the clerk to file Plaintiff's First Amended Class Action Complaint with its corresponding attachments. In its amended complaint, Okavage dropped the Company as a defendant and added UWM as a defendant. Okavage purports to represent the same set of mortgage brokers as in its original complaint and alleges that UWM's new policy to no longer enter into new transactions with Independent Mortgage Brokers who also sold mortgage loans to these two market participants amounted to anticompetitive conduct under federal and Florida antitrust laws. Okavage seeks class certification, monetary damages, attorneys' fees and injunctive relief. UWM filed a renewed motion to dismiss on September 7, 2021. On July 27, 2022, the Magistrate Judge assigned to consider UWM's motion to dismiss recommended that the amended complaint be dismissed in its entirety without prejudice. In response, Okavage filed a second amended class action complaint on November 8, 2022. On March 24, 2023, Okavage filed a motion for leave to file a supplemental complaint, which the court granted on July 18, 2023. On August 14, 2023, UWM filed a motion to dismiss the supplemental class action complaint. While UWM's motion to dismiss is pending before the Court, on February 6, 2024, the Magistrate Judge issued a report and recommendation that UWM's motion be granted and that the complaint be dismissed on all counts. The plaintiffs filed objections to the Magistrate's report, and UWM filed a response to such objections.

On February 3, 2022, UWM filed a complaint against America's Moneyline, Inc. ("AML"), a former client, in the U.S. District Court for the Eastern District of Michigan, seeking monetary damages and injunctive relief. The complaint alleges that AML breached the parties' wholesale broker agreement by submitting mortgage loans and mortgage loan applications to certain select retail lenders. On February 25, 2022, AML filed its answer to the complaint and included certain counterclaims, including fraud and misrepresentation, against UWM. On March 18, 2022, UWM filed a motion to dismiss AML's counterclaims, and on December 22, 2022, the court granted UWM's motion in large part, dismissing all of AML's counterclaims except for its declaratory judgment claim, and AML filed a motion for reconsideration of the court's order. On March 8, 2023, AML filed an amended counterclaim, which was also dismissed on March 29, 2024. On April 12, 2024, AML filed a Motion for Reconsideration. Both AML's motion for reconsideration and UWM's complaint remain pending.

On April 2, 2024, a complaint was filed in the U.S. District Court for the Eastern District of Michigan against UWM, the Company, SFS Corp., and Mat Ishbia, individually (collectively, the "UWM Defendants") by Therisa D. Escue, et al. (collectively, the "Plaintiffs"). The Plaintiffs seek class certification, monetary damages, attorneys' fees and equitable and injunctive relief. The Plaintiffs allege, among other things, that for mortgage loans originated through UWM, UWM improperly influenced mortgage brokers in its network to steer prospective borrowers to obtain their mortgage loans from UWM at pricing and subject to fees substantially in excess of that charged by competitors, and that such mortgage brokers did not act

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independently but instead were captive to UWM. The UWM Defendants deny the allegations in the complaint and believe the allegations are without merit.

**Item 5. Other Information**

**Rule 10b5-1 Trading Plans**

During the three months ended March 31, 2024, none of our officers (as defined in Rule 16a-1(f) of the Exchange Act) or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 1.01 Entry into a Material Definitive Agreement**

On March 20, 2024, UWM entered into the First Amendment to Credit Agreement (the "First Amendment") with Goldman Sachs Bank USA, as administrative agent (the "Agent"), and the lender parties from time to time parties thereto (the "Lenders"), amending the Credit Agreement, dated March 20 2023 (the "MSR Credit Agreement"). The First Amendment removed the minimum utilization fee on undrawn amounts and extended the maturity date of the GNMA MSR Facility to March 20, 2027. All other material terms of the MSR Credit Agreement remained the same.

The Agent and Lender and certain affiliates of the Agent and Lender have performed commercial banking, investment banking, or advisory services for UWM or the Company from time to time for which they have received customary fees and reimbursement of expenses. In addition, these entities may, from time to time, engage in transactions with and perform services for UWM or the Company in the ordinary course of its business for which they may receive customary fees and reimbursement of expenses.

The foregoing description of the First Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the MSR Credit Agreement attached hereto as Exhibit 10.23A.

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**Item 6. Exhibits and Financial Statement Schedules**

Exhibit Number	Description
10.23.1#%	<a href="#">First Amendment to Credit Agreement, dated March 20, 2024, between United Wholesale Mortgage, LLC, as borrower, and Goldman Sachs Bank USA, as administrative agent, and the lenders from time to time party thereto.</a>
31.1%	<a href="#">Certification of CEO, pursuant to SEC Rule 13a-14(a) and 15d-14(a).</a>
31.2%	<a href="#">Certification of CFO, pursuant to SEC Rule 13a-14(a) and 15d-14(a).</a>
32.1%	<a href="#">Certification by the CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2%	<a href="#">Certification by the CFO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.0 INS%	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH%	XBRL Taxonomy Extension Schema Document.
101.CAL%	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF%	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB%	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE%	XBRL Taxonomy Extension Presentation Linkbase Document
104.0%	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
%	Filed herewith.
#	Certain confidential portions of this exhibit were omitted by means of marking such portions with brackets and asterisks because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed, or constituted personally identifiable information that is not material.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**UWM HOLDINGS CORPORATION**

Date: May 9, 2024

By: /s/ Andrew Hubacker  
Andrew Hubacker  
Executive Vice President, Chief Financial Officer and Chief Accounting Officer

FIRST AMENDMENT TO CREDIT AGREEMENT

This FIRST AMENDMENT TO CREDIT AGREEMENT (this "**Amendment**"), is entered into as of March 20, 2024, by and among UNITED WHOLESale MORTGAGE, LLC, a Michigan limited liability company, as borrower (the "**Borrower**"), the financial institutions that are parties hereto as lenders (each such financial institution, a "**Lender**" and collectively, the "**Lenders**") and GOLDMAN SACHS BANK USA ("**GS Bank**"), as administrative agent (the "**Administrative Agent**").

WHEREAS, the Borrower has entered into that certain Credit Agreement, dated as of March 20, 2023, by and among the Borrower, the Administrative Agent and Goldman Sachs Bank USA, as the initial Lender (the "**Credit Agreement**"); and

WHEREAS, the Borrower has requested that the Administrative Agent and the sole Lender agree to amend the Credit Agreement to extend the maturity thereof (the Credit Agreement, as amended by this Amendment, being referred to herein as the "**Amended Credit Agreement**"); and

WHEREAS, subject to the terms and conditions set forth in this Amendment, the Administrative Agent and the Lender are willing to so amend the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Definitions and Construction. Unless otherwise defined or provided herein, capitalized terms used herein have the respective meanings attributed thereto in, or by reference in, the Credit Agreement. The rules of construction in Article I of the Credit Agreement shall apply *mutatis mutandis* to this Amendment.
2. Amendment to the Credit Agreement. Upon satisfaction of the conditions set forth in Section 4 hereof, the parties hereto hereby agree that the Credit Agreement is amended in its entirety to read as set forth on Exhibit A hereto.
3. Conditions to Effectiveness. This Amendment shall be effective as of the date first above written upon the Administrative Agent's receipt of each of the following on or prior to the date of this Amendment:
  - (a) Transaction Documents. Counterparts of this Amendment and amended and restated Fee Letters (the "**Amended and Restated Fee Letters**") executed by parties thereto.
  - (b) Agency Consent. Evidence, satisfactory in form and substance to the Administrative Agent that the Borrower has provided all notices required by Ginnie Mae and the Acknowledgement Agreement for the Borrower's execution and delivery of this Amendment and performance of the Amended Credit Agreement.
  - (c) Opinion Letter. Legal opinions of counsel to the Borrower in form and substance satisfactory to Administrative Agent and its counsel.

\* Certain portions of this exhibit have been redacted in accordance with Item 601(b)(10) of Regulation S-K. This information is not material and would likely cause competitive harm to the registrant if publicly disclosed. "[\*]" indicates that information has been redacted.

(d) *Fees.* Receipt of payment in full of all fees and expenses which are due and payable to the Administrative Agent or a Lender on or before such date.

4. Certain Representations and Warranties. In order to induce the Administrative Agent and the Lenders to enter into this Amendment, the Borrower hereby represents and warrants to the Administrative Agent and each Lender as of the date hereof, as follows:

(a) *Authorization.* It has the power and authority to execute and deliver this Amendment and perform its obligations under the Amended Credit Agreement and the Amended and Restated Fee Letters. It has taken all necessary action to authorize its execution and delivery of this Amendment and performance of the Amended Credit Agreement and the Amended and Restated Fee Letters.

(b) *Consents.* No consent, approval or authorization of, or declaration or filing with, any governmental authority, and no consent of any other Person, is required in connection with its execution and delivery of this Amendment and performance of the Amended Credit Agreement the Amended and Restated Fee Letters except for those already obtained.

(c) *Execution, No Conflict.* This Amendment and each of the Amended and Restated Fee Letters has been duly executed and delivered by it and the Amended Credit Agreement and the Amended and Restated Fee Letters constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally (regardless of whether such enforceability is considered in a proceeding in equity or at law). Its execution and delivery of the Amendment and the Amended and Restated Fee Letters or performance of the Amended Credit Agreement and the Amended and Restated Fee Letters does not conflict with, or constitute a violation or breach of, or constitute a default under, the terms of (i) any material contract, mortgage, lease, agreement or instrument to which it is a party or which is binding upon it, (ii) any law or regulation or order or decree of any court applicable to it in any material respect or (iii) the organizational documents of it.

(d) *No Defaults.* As of the date hereof and after giving effect to this Amendment and the Amended and Restated Fee Letters, no Potential Event of Default or Event of Default has occurred and is continuing.

(e) *Representations and Warranties.* The representations and warranties made by the Borrower in the Credit Agreement and each of the other Transaction Documents are true and correct as of the date hereof (except to the extent (x) such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date and (y) any such representation or warranty is already qualified by materiality or material adverse effect, such representation or warranty shall be true and correct in all respects).

(f) *Organizational Documents, Resolutions, etc.* There have been no amendments, supplements, or modifications to any of the articles of organization or operating agreement of the

Borrower previously delivered to the Administrative Agent on March 20, 2023 or the Singing Authority Policy dated as of February 13, 2023 and delivered to the Administrative Agent on March 20, 2024.

5. Reference to, and Effect on, the Credit Agreement and the Transaction Documents.

(a) This Amendment constitutes a Transaction Document for all purposes of, or in connection with, the Credit Agreement and the other Transaction Documents.

(b) Except as expressly set forth herein, all of the terms, conditions and covenants of the Credit Agreement and the other Transaction Documents are hereby ratified and confirmed in all respects by each of the parties hereto and shall remain in full force and effect in accordance with its terms.

(c) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "this Credit Agreement", "hereunder", "hereof" or words of like import referring to the Agreement, and each reference in each of the other Transaction Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

(d) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of or amendment to, any right, power or remedy of the Administrative Agent under, nor constitute a waiver of or amendment to, any other provision of, the Amended Credit Agreement or any other Transaction Document.

(e) The relationship of Administrative Agent and the Lender, on the one hand, and the Borrower, on the other hand, has been and shall continue to be, at all times, that of creditor and debtor and not as joint venturers or partners. Nothing contained in this Amendment, any instrument, document or agreement delivered in connection herewith or in the Credit Agreement or any of the other Transaction Documents shall be deemed or construed to create a fiduciary relationship between or among the parties.

6. No Novation. This Amendment is not intended by the parties to be, and shall not be construed to be, a novation of the Credit Agreement or any other Transaction Document or an accord and satisfaction in regard thereto and the Borrower reaffirms that the existing security interest created by the Credit Agreement and each other Transaction Document is and remains in full force and effect.

7. Miscellaneous. The provisions of Section 9.9 (Governing Law), Section 9.10\_(Jurisdiction) and Section 9.11 (Waiver of Jury Trial) of the Credit Agreement are incorporated into this Amendment as if fully set forth herein, *mutatis mutandis*.

8. Entire Agreement. This Amendment constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all other understandings, oral or written, with respect to the subject matter hereof.

9. Severability. In case any provision in or obligation under this Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

10. Section Headings. All section headings are inserted for convenience of reference only and shall not affect any construction or interpretation of this Amendment.

11. General. This Amendment shall be binding on and shall inure to the benefit of the Borrower, the Administrative Agent, the Lenders and their respective successors and permitted assigns under the Transaction Documents.

12. Execution. This Amendment may be executed in any number of counterparts and by each party hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or by e-mail in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart of this Amendment.

*(Signature page follows)*



IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Credit Agreement be executed by their respective officers thereunto duly authorized, as of the date first above written.

UNITED WHOLESALE MORTGAGE, LLC, as Borrower

By: /s/ Andrew Hubacker  
Name: Andrew Hubacker  
Title: Chief Financial Officer

GOLDMAN SACHS BANK USA, as Administrative Agent

By: /s/ Joseph Grathwohl  
Name: Joseph Grathwohl  
Title: Authorized Signatory

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Joseph Grathwohl  
Name: Joseph Grathwohl  
Title: Authorized Signatory

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**EXHIBIT A**

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**CREDIT AGREEMENT**

among

**UNITED WHOLESALE MORTGAGE, LLC**  
as Borrower,

**GOLDMAN SACHS BANK USA,**  
as Administrative Agent for the financial institutions  
that may from time to time become parties hereto as Lenders,

and

**LENDERS**  
from time to time party hereto

dated as of March 20, 2023

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I CERTAIN DEFINITIONS	1
Section 1.1        Certain Defined Terms	1
Section 1.2        Computation of Time Periods	29
Section 1.3        Construction	29
Section 1.4        Accounting Terms	30
ARTICLE II AMOUNTS AND TERMS OF THE ADVANCES	30
Section 2.1        Establishment of the Credit Facility	30
Section 2.2        The Advances	30
Section 2.3        Use of Proceeds	30
Section 2.4        Making the Advances	31
Section 2.5        [Reserved]	32
Section 2.6        Borrowing Base	32
Section 2.7        Repayment of the Advances	33
Section 2.8        Application of Prepayment of Advances	35
Section 2.9        Mandatory Prepayments of Advances	35
Section 2.10       Optional Prepayments; Removal of Collateral	36
Section 2.11       Determination of Interest Rate	37
Section 2.12       Payments and Computations	39
Section 2.13       Payment on Non-Business Days	40
Section 2.14       Taxes	40
Section 2.15       Security Interest	44
Section 2.16       Limited Pledge of Ginnie Mae Servicing	46
ARTICLE III CONDITIONS OF LENDING AND CLOSING	47
Section 3.1        Conditions Precedent to Closing	47
Section 3.2        Conditions Precedent to All Advances	49
ARTICLE IV REPRESENTATIONS AND WARRANTIES	50
Section 4.1        Representations and Warranties of the Borrower	50
ARTICLE V COVENANTS	57
Section 5.1        Affirmative Covenants	57
Section 5.2        Negative Covenants	63
ARTICLE VI EVENTS OF DEFAULT	66
Section 6.1        Events of Default	66

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**TABLE OF CONTENTS**  
**(Cont'd.)**

**Page**

Section 6.2	Remedies	69
ARTICLE VII THE ADMINISTRATIVE AGENT		72
Section 7.1	Appointment; Nature of Relationship	72
Section 7.2	Powers	72
Section 7.3	General Immunity	72
Section 7.4	No Responsibility for Advances, Creditworthiness, Collateral, Recitals, Etc.	73
Section 7.5	Action on Instruction of Lenders	73
Section 7.6	Employment of Agents and Counsels	73
Section 7.7	Reliance on Documents; Counsel	73
Section 7.8	The Administrative Agent's Reimbursement and Indemnification	74
Section 7.9	Rights as a Lender	74
Section 7.10	Lender Credit Decision	74
Section 7.11	Successor Agent	75
Section 7.12	Transaction Documents	75
Section 7.13	Certain ERISA Matters	75
Section 7.14	Erroneous Payments	77
Section 7.15	Power of Attorney	78
ARTICLE VIII ACCOUNTS		79
Section 8.1	Collection Amount	79
ARTICLE IX MISCELLANEOUS		79
Section 9.1	Survival	79
Section 9.2	Amendments, Etc.	80
Section 9.3	Notices, Etc.	81
Section 9.4	No Waiver; Remedies	81
Section 9.5	Indemnification	81
Section 9.6	Costs, Expenses and Taxes	82
Section 9.7	Right of Set-off; Ratable Payments; Relations Among Leaders	82
Section 9.8	Binding Effect; Assignment	83
Section 9.9	Governing Law	85
Section 9.10	Jurisdiction	85
Section 9.11	Waiver of Jury Trial	85
Section 9.12	Section Headings	86
Section 9.13	Tax Characterization	86
Section 9.14	Execution	86

**TABLE OF CONTENTS**  
**(Cont'd.)**

**Page**

Section 9.15	Limitations on Liability	86
Section 9.16	Confidentiality	87
Section 9.17	Merger	89
Section 9.18	Lien Release	89
Section 9.19	Customer Identification - USA Patriot Act Notice	89
Section 9.20	Administrative Agent Compliance with Applicable Anti-Terrorism and Anti-Money Laundering Regulations	89
Section 9.21	Acknowledgement and Consent to Bail-In of EEA Financial Institutions	90
Section 9.22	Acknowledgement Regarding Any Supported QFCs	90

## **SCHEDULES**

<u>Schedule I</u>	Valuation Agents
<u>Schedule 4.1(c)</u>	Ownership Structure of the Borrower and its Subsidiaries
<u>Schedule 4.1(q)</u>	Indebtedness of the Borrower
<u>Schedule 9.3</u>	Notice Addresses

## **EXHIBITS**

EXHIBIT A	--	Form of Notice of Borrowing
EXHIBIT B	--	Form of Loan Note
EXHIBIT C	--	Form Assignment and Assumption
EXHIBIT D	--	Allocations
EXHIBIT E	--	Form of Notice of Prepayment
EXHIBIT F	--	Form of Servicer Acknowledgment Agreement

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## CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "**Agreement**") is entered into as of March 20, 2023, by and among United Wholesale Mortgage, LLC, a Michigan limited liability company, as borrower (the "**Borrower**"), the financial institutions that may from time to time become parties hereto, as lenders, and Goldman Sachs Bank USA ("**GS Bank**"), as administrative agent (the "**Administrative Agent**").

### RECITALS

WHEREAS, the Borrower currently holds and in the future will hold, certain Ginnie Mae MSRs (as defined below);

WHEREAS, the Borrower has requested that the Lenders provide financing for the Ginnie Mae MSRs held by the Borrower; and

WHEREAS, the Lenders are willing to provide financing upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

### ARTICLE I

#### CERTAIN DEFINITIONS

Section 1.1 Certain Defined Terms. Capitalized terms used but not otherwise defined herein have the meanings set forth below:

"**1940 Act**" shall mean the Investment Company Act of 1940, as amended.

"**Accepted Servicing Practices**" shall mean with respect to any Ginnie Mae Mortgage Loan, as of the time of reference, (a) the terms of the applicable mortgage note, mortgage and related mortgage loan documents, (b), the Ginnie Mae Servicing Contract, and those practices required by Ginnie Mae, including the Ginnie Mae Agency Guide; (c) any Applicable Laws; (d) all applicable contractual obligations relating to the servicing of the Ginnie Mae Mortgage Loan, including the applicable requirements of any insurer; and (e) to the extent not inconsistent with the customary and usual standards of mortgage servicing practices of prudent mortgage loan servicers which service mortgage loans of the same type as such Ginnie Mae Mortgage Loan in the jurisdiction where the related Mortgaged Property is located, without regard to any relationship which the applicable servicer or any of its Affiliates may have with the related borrower or an Affiliate thereof or to the applicable servicer's right to receive compensation for its services.

**"Account Bank"** shall mean JPMorgan Chase Bank, N.A., or any replacement financial institution reasonably acceptable to the Administrative Agent.

**"Account Control Agreement"** shall mean a Blocked Account Control Agreement ("Shifting Control"), by and among the Borrower, the Account Bank and the Administrative Agent, pursuant to which the Administrative Agent shall be granted "control" (as defined in Section 9-104 of the UCC), in form and substance reasonably acceptable to the Administrative Agent.

**"Acknowledgment Agreement"** shall mean the Acknowledgment Agreement by and among Ginnie Mae, the Borrower and the Administrative Agent, pursuant to which Ginnie Mae acknowledges the terms of this Agreement, and the security interest in Ginnie Mae MSR's being pledged hereunder.

**"Additional Principal Amortization Amount"** shall mean an amount due and payable on each Additional Principal Amortization Date equal to the quotient of (a) the Aggregate Outstandings on the Availability Period End Date divided by (b) 12.

**"Additional Principal Amortization Date"** shall mean the Monthly Payment Date occurring in the calendar month in which the Availability Period End Date occurs, and each Monthly Payment Date thereafter.

**"Administrative Agent"** shall have the meaning set forth in the introductory paragraph hereof.

**"Administrative Agent Fee Letter"** shall mean that certain side letter, dated as of the March 20, 2024, by and between the Borrower and the Administrative Agent, with respect to certain pricing terms of the facility established hereby.

**"Administrative Agent MSR Value"** shall mean, as of any date of determination, the product of (a) the Ginnie Mae Advance Rate, (b) the Administrative Agent Market Value Percentage, and (c) the aggregate unpaid principal balance of the Ginnie Mae Mortgage Loans. For the avoidance of doubt, the Administrative Agent MSR Value for any Ginnie Mae SDQ Loans shall be zero.

**"Administrative Agent Market Value Percentage"** shall mean, with respect to any Ginnie Mae MSR as of any date of determination, the percentage to be applied to the unpaid principal balance of the applicable Ginnie Mae Mortgage Loans to arrive at the fair market value of such Ginnie Mae MSR, as most recently determined by the Administrative Agent pursuant to Section 2.6 as determined by the Administrative Agent in its sole discretion.

**"Administrative Agent's Account"** shall mean the Administrative Agent's bank account, described on Schedule I to the Agency Fee Letter, designated by the Administrative Agent from time to time by written notice to the Borrower.



**"Advance"** shall have the meaning set forth in Section 2.2(a).

**"Affected Financial Institution"** shall mean (a) any EEA Financial Institution or (b) any UK Financial Institution

**"Affected Party"** shall have the meaning set forth in Section 2.11(b).

**"Affiliate"** shall mean, with respect to a Person, any other Person that (a) directly or indirectly through one or more intermediaries, controls, is controlled by, or is under direct or indirect common control with such Person or (b) is an officer or director of such Person; provided that Ginnie Mae shall be specifically excluded as an Affiliate of any Lender. Solely for purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (i) vote 20% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (ii) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

**"Agency Approvals"** shall have the meaning set forth in Section 5.1(k).

**"Agency Fee Letter"** shall mean that certain Amended and Restated Agency Fee Letter, dated as of March 20, 2024, among the Borrower, the Administrative Agent and the initial Lender, with respect to the Financial Covenants and certain pricing terms of the facility created hereby.

**"Agency Release"** shall mean a form of release as may be requested by the Ginnie Mae, in connection with any release of Ginnie Mae MSRs by the Administrative Agent.

**"Aggregate Facility Limit"** shall mean \$500,000,000.

**"Aggregate Outstandings"** shall mean the aggregate outstanding principal amount of the Advances.

**"Agreement"** shall have the meaning set forth in the introductory paragraph hereof.

**"Alternative Rate"** shall mean, for any day, a rate per annum equal to higher of (a) the Prime Rate or (b) the sum of the Federal Funds Effective Rate plus [\*\*\*]. Any change in the Alternative Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, as applicable. For the avoidance of doubt, if the Alternative Rate as determined pursuant to the foregoing would be less than the Floor, such rate shall be deemed to be the Floor for purposes of this Agreement.

**"Ancillary Income"** shall mean all income derived from a Ginnie Mae Mortgage Loan, other than payments or collections in respect of principal, interest, escrow payments and

prepayment penalties and to which the Borrower, as the servicer of the Ginnie Mae Mortgage Loan, is entitled to in accordance with the Ginnie Mae Requirements.

**"Applicable Law"** shall mean, with respect to any Person all laws of any Governmental Authority applicable to such Person, including laws relating to consumer lending and protection and any ordinances, judgments, decrees, injunctions, writs and orders or like actions of any Governmental Authority and rules and regulations of any federal, regional, state, county, municipal or other Governmental Authority.

**"Applicable Percentage"** shall mean, for any Lender at any time, the percentage equivalent of, (a) the amount of such Lender's Advances then outstanding divided by (b) the Aggregate Outstandings at such time.

**"Approved Subservicer"** shall mean Cenlar FSB, Nationstar Mortgage LLC, d/b/a Mr. Cooper and any other subservicer approved in writing by the Administrative Agent (such approval not to be unreasonably withheld, conditioned or delayed).

**"Approved Subservicing Agreement"** shall mean the Cenlar Subservicing Agreement, the Nationstar Subservicing Agreement and/or any other Subservicing Agreement approved in writing by the Administrative Agent with an Approved Subservicer, as the context may require.

**"Assignment and Assumption"** shall mean an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.8), and accepted by the Administrative Agent, in substantially the form of Exhibit C hereto or any other form approved by the Administrative Agent.

**"Available Tenor"** shall mean, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Accrual Period pursuant to this Agreement as of such date.

**"Availability Period"** shall mean the period from the Closing Date until the Availability Period End Date.

**"Availability Period End Date"** shall mean the earlier of (a) the Maturity Date and (b) March 20, 2026.

**"Bail-In Action"** shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

**"Bail-In Legislation"** shall mean (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA

Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

**"Base Servicing Fee"** shall mean, with respect to the Portfolio and each Collection Period, an amount equal to the product of (a) the aggregate outstanding principal balance of the Ginnie Mae Mortgage Loans included in such Portfolio as of the first day of such Collection Period multiplied by (b) [\*\*\*] of the Base Servicing Fee Rate; provided, however, that (i) with respect to the Portfolio, if the initial Collection Period is less than a full month, such fee for each such Ginnie Mae Mortgage Loan shall be an amount equal to the product of the fee otherwise described above multiplied by a fraction, the numerator of which is the number of days in such initial Collection Period and the denominator of which is 30; or (ii) if any Ginnie Mae Mortgage Loan ceases to be part of such Portfolio during such Collection Period as a result of a termination of the Borrower's duties as servicer under the Ginnie Mae Servicing Contract, the portion of such amount that is attributable to such Ginnie Mae Mortgage Loan shall be adjusted to an amount equal to the product of the fee otherwise described above multiplied by a fraction, the numerator of which is the number of days in such Collection Period during which such Ginnie Mae Mortgage Loan was included in such Portfolio and denominator of which is 30.

**"Base Servicing Fee Rate"** shall mean [\*\*\*] per annum.

**"Bankruptcy Code"** shall mean the U.S. Bankruptcy Code, 11 U.S.C. § 101, et seq., as amended.

**"Benchmark"** shall mean, initially, Term SOFR; *provided* that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, then, "Benchmark" shall mean the applicable Benchmark Replacement for all purposes hereunder in respect of such determination to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (i) of Section 2.11(d); *provided further* that if the Benchmark as determined would be less than the Floor for any calculation period under this Agreement, the Benchmark will be the Floor for such period.

**"Benchmark Replacement"** shall mean, for any Available Tenor, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar denominated syndicated or bilateral credit facilities at such time and (b) the related Benchmark Replacement Adjustment; *provided*

that, if the Benchmark Replacement as so determined would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement.

**"Benchmark Replacement Adjustment"** shall mean, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, for each applicable Interest Accrual Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated or bilateral credit facilities at such time.

**"Benchmark Replacement Conforming Changes"** shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day" or "Interest Accrual Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

**"Benchmark Replacement Date"** shall mean the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**"Benchmark Transition Event"** shall mean the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark announcing that such administrator has ceased or will cease to provide such Benchmark, permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, which states that the administrator of such Benchmark has ceased or will cease to provide such Benchmark permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark announcing that such Benchmark is no longer representative.

**"Benchmark Unavailability Period"** shall mean (a) if a Benchmark Transition Event has not occurred, unless and until a Benchmark Replacement is implemented with respect to the then-current Benchmark in accordance with Section 2.11(d), each (if any) Interest Accrual Period for which, Administrative Agent determines (which determination shall be conclusive and binding on the Borrower) that, other than as a result of a Benchmark Transition Event, reasonable and adequate means do not exist for ascertaining the then-current Benchmark for an applicable Interest Accrual Period, (b) if a Benchmark Transition Event has occurred, the period (if any) (i) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder in accordance with Section 2.11(d) and (ii) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark hereunder in accordance with Section 2.11(d).

**"Beneficial Ownership Certification"** shall mean a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

**"Beneficial Ownership Regulation"** shall mean 31 C.F.R. § 1010.230.

**"Benefit Plan"** shall mean any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

**"BHC Act Affiliate"** of a party shall mean an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

**"Borrower"** shall have the meaning set forth in the introductory paragraph hereof.

**"Borrower's Account"** shall mean (a) the Borrower's bank account, described on Schedule I of the Agency Fee Letter, for the account of the Borrower or (b) such other account as may be designated by the Borrower from time to time by at least ten (10) Business Days' prior written notice to the Administrative Agent and the Lenders, so long as such other account is acceptable to the Administrative Agent in its sole and absolute discretion.

**"Borrowing Base"** shall mean, as of any date of determination, with respect to Ginnie Mae MSRs that are Eligible MSR Collateral:

(a) the Administrative Agent MSR Value thereof or

(b) if a Borrowing Base Dispute has been initiated and the Valuation Agent MSR Value has been determined pursuant to Section 2.6(c), the "Borrowing Base" shall mean the lesser of (i) the Valuation Agent MSR Value thereof, and (ii) the Borrowing Base Cap Ginnie Amount thereof.

**"Borrowing Base Cap Ginnie Amount"** shall mean the product of (a) the most recently determined Administrative Agent Market Value Percentage, (b) the aggregate unpaid principal balance of the Ginnie Mae Mortgage Loans, and (c) the Ginnie Mae Advance Rate Cap.

**"Borrowing Base Certificate"** shall mean the certificate in the form of Exhibit A attached to each Notice of Borrowing.

**"Borrowing Base Deficiency"** shall exist with respect to the Borrowing Base on any date on which:

(a) if no Borrowing Base Dispute has been initiated and is outstanding, the Aggregate Outstandings exceed the Borrowing Base by [\*\*\*] or more, or

(b) if a Borrowing Base Dispute has been initiated but the Valuation Agent MSR Value has not yet been determined pursuant to Section 2.6(c), the Aggregate Outstandings exceed the Borrowing Base Cap Ginnie Amount, or

(c) if a Borrowing Base Dispute has been initiated, the Valuation Agent MSR Value has been determined pursuant to Section 2.6(c), and the Borrowing Base is being calculated pursuant to clause (b) of the definition thereof, the Aggregate Outstandings exceed the lesser of (i) the Borrowing Base by 5.0% or more and (ii) the Borrowing Base Cap Ginnie Amount, or

(d) there exists a Minimum Haircut Trigger Event.

**"Borrowing Base Deficiency Notice"** shall have the meaning set forth in Section 2.6(b).

**"Borrowing Base Dispute"** shall have the meaning set forth in Section 2.6(c).

**"Borrowing Base Required Payment"** shall mean, on any date, an amount equal to the greater of an amount necessary to (i) cause the Aggregate Outstandings to equal the Borrowing Base, or (ii) eliminate any existing Minimum Haircut Trigger Event.

**"Borrowing Date"** shall mean, with respect to any Advance, the date of the making of such Advance, which date shall in any case be a Business Day.

**"Business Day"** shall mean any day excluding Saturday, Sunday, any day which is a legal holiday under the laws of the State of New York or the State of Michigan, any day on which banking institutions located in any such state are authorized or required by law or other governmental action to close, and any day on which the New York Stock Exchange or the Federal Reserve Bank of New York is authorized or obligated by law or executive order to be closed.

**"Capital Stock"** shall mean, with respect to any Person, all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or non-voting) of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) or any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership, but in no event will Capital Stock include any debt securities convertible or exchangeable into equity unless and until actually converted or exchanged.

**"Capitalized Lease Obligation"** shall mean, for any Person, the amount of Indebtedness under a lease of property by such Person that would be shown as a liability on a balance sheet of such Person prepared for financial reporting purposes in accordance with GAAP.

**"Cenlar"** shall mean Cenlar FSB.

**"Cenlar Subservicing Agreement"** means the Subservicing Agreement, dated as of July 29, 2013, between the Borrower and Cenlar.

**"Change in Law"** shall mean the occurrence after the date of this Agreement (or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement) of any of the following: (a) the adoption or taking effect of any Law, (b) any change in Law or in the administration, interpretation, application or implementation thereof by any Governmental Authority, (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority after the date of this Agreement or (d) compliance by any Affected Party, by any lending office of such Affected Party or by such Affected Party's holding company, if any, with any request, guideline or

directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act, (ii) Basel III: A global regulatory framework for more resilient banks and banking systems prepared by the Basel Committee on Banking Supervision, and all national implementations thereof and (iii) all requests, rules, guidelines and directives under either of the foregoing or issued in connection therewith shall be deemed to be a "Change in Law", regardless of the date implemented, enacted, adopted or issued.

**"Change of Control"** shall mean the occurrence of

(a) any transaction or event as a result of which any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the beneficial owner directly or indirectly, of 50% or more of the total voting power of UWM Holdings Corporation, and thereafter, the Permitted Holders are the beneficial owners, directly or indirectly, of less than 50.1% of the total voting power of the UWM Holdings Corporation; or

(b) any transaction or event as a result of which UWM Holdings Corporation ceases to serve as the manager, directly or indirectly, of the Borrower.

For the purposes of this definition, "beneficially own" shall be determined pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

**"Closing Date"** shall mean March 20, 2023.

**"Collateral"** shall have the meaning set forth in Section 2.15.

**"Collection Account"** shall have the meaning set forth in Section 8.1(a).

**"Collection Period"** shall mean, with respect to a Monthly Payment Date, the calendar month preceding the month in which such Monthly Payment Date occurs; provided that with respect to the first Monthly Payment Date, the Collection Period shall be the period from and including the Closing Date to the end of the calendar month preceding such Monthly Payment Date.

**"Collections"** shall mean, with respect to any Ginnie Mae MSR with respect to a Collection Period, any Servicing Income (less any amounts payable to the applicable Approved Subservicer with respect to the related Ginnie Mae Mortgage Loans pursuant to an Approved Subservicing Agreement) that the Borrower as servicer is entitled to receive free and clear of all Ginnie Mae rights and other restrictions on transfer under the Ginnie Mae guidelines, pursuant to the Ginnie Mae Servicing Contract during such Collection Period.

**"Compliance Certificate"** shall mean a Compliance Certificate substantially in the form of Exhibit A to the Agency Fee Letter.



**"Confidential Information"** shall have the meaning set forth in Section 9.16.

**"Connection Income Taxes"** shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

**"Control"** shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. Controlling and Controlled have meanings correlative thereto.

**"Corresponding Tenor"** with respect to any Available Tenor shall mean, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding Business Day adjustment) as such Available Tenor.

**"Cost of Funds"** shall mean, with respect to any Monthly Period, the amount of interest accrued during such Monthly Period on the Advances at the Cost of Funds Rate.

**"Cost of Funds Rate"** shall mean the sum of (a) either the applicable Benchmark or, during a Benchmark Unavailability Period, the Alternative Rate and (b) the Ginnie Mae Margin Rate. For ease of administration, the Administrative Agent shall be permitted to calculate the "Cost of Funds Rate" as a weighted average that reflects the composition of the Borrowing Base for each day during each Monthly Period.

**"Covered Entity"** shall mean any of the following:

- (a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

**"Default Right"** has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

**"Derivatives Contract"** shall mean any rate swap transaction, basis swap, credit derivative transaction, forward rate transaction, commodity swap, commodity option, futures contract, forward commodity contract, mortgage-related forward pools contracts, including derivatives or "TBA's", equity or equity index swap or option, bond or bond price or bond index swap or option or forward bond or forward bond price or forward bond index transaction, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option,

spot contract, or any other similar transaction or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, including any obligations or liabilities thereunder.

**"Disposition"** and **"Disposed"** mean, with respect to any Person, any sale, relinquishment or other whole or partial conveyance of all or any portion of such Person's property, or any direct or indirect interest therein to a third party, including the granting of any purchase options, rights of first refusal, rights of first offer or similar rights in respect of any portion of such assets or the subjecting of any portion of such assets to restrictions on transfer.

**"Distributable Amounts"** shall mean, with respect to each Monthly Payment Date, (i) all Fees, costs, expenses, reimbursements and indemnification amounts required to be paid to the Administrative Agent and the Lenders pursuant to the terms of the Transaction Documents; (ii) the Servicing Diligence Agent Fees with respect to such Monthly Payment Date and all costs, expenses, reimbursements and indemnification amounts of the Servicing Diligence Agent; (iii) the Interest Distribution Amount with respect to such Monthly Payment Date; (iv) to the extent a Borrowing Base Deficiency exists as of such Monthly Payment Date, the Borrowing Base Required Payment; (v) with respect to each Monthly Payment Date occurring after the Availability Period End Date, the Additional Principal Amortization Amounts due and payable on such Monthly Payment Date; and (vi) all amounts that are then due and payable pursuant to Section 2.11.

**"Division"** has the meaning specified in Section 18-217 of the Delaware Limited Liability Company Act. **"Divide"** has the correlative meaning.

**"Dollar"** and the symbol **"\$"** shall mean the lawful currency of the United States.

**"EEA Financial Institution"** shall mean (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**"EEA Member Country"** shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**"EEA Resolution Authority"** shall mean any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

**"Eligible MSR Collateral"** shall mean, as of any date of determination, any Ginnie Mae MSRs that satisfies each of the following criteria:

- (a) for which the Borrower is acting in the capacity of servicer under the Ginnie Mae Servicing Contract, which Ginnie Mae Servicing Contract (i) is in full force and effect, and (ii) with respect to which the Borrower is not in default thereunder;
- (b) which complies with all Applicable Laws;
- (c) which is genuine and constitutes a legal, valid, binding and irrevocable payment obligation, enforceable in accordance with the terms of the Ginnie Mae Servicing Contract, under which it has arisen, subject to no offsets, counterclaims or defenses;
- (d) which provides for payment in Dollars;
- (e) which was not originated in or subject to the Laws of a jurisdiction whose Laws would make such Ginnie Mae MSR, the Ginnie Mae Servicing Contract or the financing thereof contemplated hereby unlawful, invalid or unenforceable; and is not subject to any legal limitation on transfer;
- (f) which is owned solely by the Borrower, subject to the Ginnie Mae Servicing Contract, and is free and clear of all Liens other than Permitted Liens and has not been sold, conveyed, pledged or assigned to any other lender, purchaser or Person;
- (g) which is not an obligation of the United States of America, any State or any agency or instrumentality or political subdivision thereof (other than Ginnie Mae);
- (h) in respect of which the information set forth in the Schedule of Eligible MSR Collateral and the Ginnie Mae Servicing Contract is true and correct in all material respects;
- (i) in respect of which, each of the representations and warranties set forth in Section 4.1(aa) are true and correct in all material respects;
- (j) such Ginnie Mae MSR constitutes a "general intangible" as defined in the UCC and is not evidenced by an "instrument" or "security" as defined in the UCC as so in effect;
- (k) the Borrower has all required licenses and registrations necessary to own such Ginnie Mae MSR and to service the Ginnie Mae Mortgage Loan (including to collect amounts owing with respect thereto) in the jurisdiction where the Mortgaged Property is located;
- (l) the Acknowledgment Agreement has been executed by the parties and has not expired pursuant to its terms and the pledge of such Ginnie Mae MSR is permitted pursuant to the terms of the Acknowledgment Agreement; and

(m) the related Ginnie Mae Mortgage Loans are being subserviced by an Approved Subservicer with whom a Servicer Acknowledgment Agreement is in full force and effect.

**“Environmental Claim”** shall mean any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; or (b) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

**“Environmental Laws”** shall mean any and all current or future federal or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other requirements of Governmental Authorities relating to (a) environmental matters; (b) the generation, use, storage, transportation or disposal of Hazardous Materials; or (c) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to the Borrower or any of their Subsidiaries or any Mortgaged Property.

**“Equity Interests”** shall mean all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, all equivalent ownership interests in a Person (other than a corporation), including partnership interests and membership interests, and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

**“ERISA”** shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the Closing Date and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

**“ERISA Affiliate”** shall mean each Person (as defined in Section 3(9) of ERISA), which together with the Borrower is a “single employer” within the meaning of Sections 414(b), (c), (m) or (o) of the Internal Revenue Code or Sections 4001(a)(14) or 4001(b)(1) of ERISA.

**“ERISA Event”** shall mean (a) that a Reportable Event has occurred with respect to any Single-Employer Plan; (b) the institution of any steps by the Borrower or any ERISA Affiliate, the Pension Benefit Guaranty Corporation or any other Person to terminate any Single-Employer Plan or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Single-Employer Plan; (c) the institution of any steps by the Borrower or any ERISA Affiliate to withdraw from any Multi-Employer Plan or written notification of the Borrower or any ERISA Affiliate concerning the imposition of withdrawal liability; (d) a non-exempt “prohibited transaction” within the meaning of Section 406 of ERISA or Section 4975 of the Internal Revenue Code in connection with any Single-Employer Plan or Multi-Employer Plan; (e) the cessation of operations at a facility of the Borrower or any ERISA Affiliate in the circumstances

described in Section 4062(e) of ERISA; (f) with respect to a Single-Employer Plan, a failure to satisfy the minimum funding standard under Section 412 of the Internal Revenue Code or Section 302 of ERISA, whether or not waived; (g) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to a Single-Employer Plan; (h) a determination that a Single-Employer Plan is or is expected to be in "at-risk" status (within the meaning of Section 430(i)(4) of the Internal Revenue Code or Section 303(i)(4) of ERISA); (i) the insolvency of a Multi-Employer Plan, written notification that a Multi-Employer Plan is in "endangered" or "critical" status (within the meaning of Section 432 of the Internal Revenue Code or Section 305 of ERISA), or any failure by the Borrower or any ERISA Affiliate to make any required payment or contribution to a Multi-Employer Plan; or (j) the taking of any action by, or the threatening of the taking of any action by, the IRS, the Department of Labor or the Pension Benefit Guaranty Corporation with respect to any of the foregoing.

**"EU Bail-In Legislation Schedule"** shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

**"Event of Default"** shall have the meaning set forth in Section 6.1.

**"Excluded Taxes"** shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance pursuant to a Law in effect on the date on which (i) such Lender acquires such interest in the Advance or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.14(g) and (d) any withholding Taxes imposed under FATCA.

**"FATCA"** shall mean Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any intergovernmental agreements entered into in connection with the implementation of such sections of the Internal Revenue Code, and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreements, treaty or convention among Governmental Authorities and implementing such sections of the Internal Revenue Code.

**"Federal Funds Effective Rate"** shall mean, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that if such rate is not so published for any day which is a Business Day, the Federal Funds Effective Rate for such day shall be the average of the quotation for such day on such transactions received by Lender from three federal funds brokers of recognized standing selected by the Administrative Agent.

**"Fee Letters"** shall mean the Agency Fee Letter and the Administrative Agent Fee Letter.

**"Fees"** shall mean the fees set forth in the Fee Letters.

**"FHA"** shall mean the Federal Housing Administration.

**"Financial Covenants"** shall mean those financial covenants set forth in Section 2 of the Agency Fee Letter.

**"Floor"** shall mean [\*\*\*].

**"Funding Base Deficiency"** shall exist on any date on which the Aggregate Outstandings exceeds the Borrowing Base.

**"Futures Account"** shall mean an account, if any, opened in the name of Borrower under an agreement governing futures and options on futures transactions between Borrower GS&Co. for which an account control agreement shall be entered into by and among the Borrower, GS&Co. and the Administrative Agent, pursuant to which the Administrative Agent shall be granted control (as defined in Section 9-106(b) of the UCC) and the ability to direct GS&Co. with respect to permitted withdrawals from the Futures Account following an Event of Default hereunder.

**"GAAP"** shall mean generally accepted accounting principles in the United States as are in effect from time to time and applied on a consistent basis (except for changes in application in which the Borrower's independent certified public accountants and the Administrative Agent reasonably agree) both as to classification of items and amounts.

**"Ginnie Mae"** shall mean the Government National Mortgage Association, its successors and assigns.

**"Ginnie Mae Agency Guide"** shall mean the Ginnie Mae Mortgage-Backed Securities Guide, Handbook 5500.3, Rev. 1, as amended from time to time, and any related announcements, directives and correspondence issued by Ginnie Mae.

**"Ginnie Mae Advance Rate"** shall have the meaning set forth in the Agency Fee Letter.

**"Ginnie Mae Advance Rate Cap"** shall have the meaning set forth in the Agency Fee Letter.

**"Ginnie Mae Contract"** shall have the meaning set forth in [Section 2.16](#).

**"Ginnie Mae Margin Rate"** shall have the meaning set forth in the Agency Fee Letter.

**"Ginnie Mae Mortgage Loans"** shall mean the mortgage loans underlying Ginnie Mae MSRs, which shall be identified as "Ginnie Mae Mortgage Loans" on the Schedule of Collateral.

**"Ginnie Mae MSRs"** shall mean mortgage servicing rights held by the Borrower with respect to Ginnie Mae Mortgage Loans that have been pooled for mortgage-backed securities guaranteed by Ginnie Mae, which mortgage servicing rights are pledged to the Administrative Agent, for the benefit of the Secured Parties, pursuant to this Agreement and subject to the terms and conditions of the Acknowledgment Agreement. For the avoidance of doubt, the Ginnie Mae MSRs shall be identified on the Schedule of Eligible MSR Collateral or the Schedule of Ineligible MSR Collateral and updated no less frequently than monthly and delivered to the Administrative Agent as part of the Monthly Report.

**"Ginnie Mae Requirements"** shall mean the rights and interests of Ginnie Mae under the Ginnie Mae Servicing Contract, the Acknowledgment Agreement, or any other agreement between the Borrower and Ginnie Mae.

**"Ginnie Mae SDQ Loans"** shall mean mortgage loans for which the Borrower owns the Ginnie Mae servicing rights that are 90 days or more delinquent or in foreclosure.

**"Ginnie Mae Servicing Contract"** shall mean the Ginnie Mae Contract as defined in the Acknowledgment Agreement.

**"GLB Act"** has the meaning set forth in [Section 9.16\(b\)](#).

**"Governmental Authority"** shall mean any national, federal, state, local or other government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

**"Governmental Authorization"** shall mean any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

**"GS&Co."** shall mean Goldman Sachs & Co. LLC.

**"GS Bank"** shall have the meaning set forth in the introductory paragraph hereof.

**"Hazardous Materials"** shall mean any substances or materials (a) which are or become defined as hazardous wastes, hazardous substances, pollutants, contaminants, chemical substances or mixtures or toxic substances under any Environmental Law, (b) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise harmful to human health or the environment and are or become regulated by any Governmental Authority, (c) the presence of which require investigation or remediation under any Environmental Law or common law, (d) the discharge or emission or release of which requires a permit or license under any Environmental Law or other Governmental Authorization, (e) which are deemed to constitute a nuisance or a trespass which pose a health or safety hazard to Persons or neighboring properties, (f) which consist of underground or aboveground storage tanks, whether empty, filled or partially filled with any substance or (g) which contain, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or waste, crude oil, nuclear fuel, natural gas or synthetic gas.

**"Hedge Agreement"** shall mean any and all master securities forward transaction agreement(s) between the Borrower and GS&Co. or GS Bank, or any ISDA agreement entered into by the Borrower and GS&Co. or GS Bank on or after the date of this Agreement that the Borrower and the Administrative Agent agree in writing constitutes a replacement thereto.

**"HUD"** shall mean the United States Department of Housing and Urban Development or any successor thereto.

**"Indebtedness"** shall mean, as to any Person at any time, all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (a) borrowed money; (b) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility; (d) reimbursement obligations under any letter of credit or Derivatives Contract (other than in connection with this Agreement); (e) obligations of such Person to pay the deferred purchase price of property or services; (f) Capitalized Lease Obligations; (g) any other transaction (including forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements, and whether structured as a borrowing, sale and leaseback or a sale of assets for accounting purposes; (h) any Guarantee or endorsement of, or responsibility for, any Indebtedness of the types described in this definition; (i) liabilities secured by any Lien on property owned or acquired, whether or not such a liability shall have been assumed; (j) unvested pension obligations; and (k) net obligations under any Derivatives Contract not entered into as a hedge against existing indebtedness.

**"Indemnified Taxes"** shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Transaction Document and (b) to the extent not otherwise described in clause (a), Other Taxes.



**"Indemnitees"** shall have the meaning set forth in Section 9.5.

**"Insolvency Event"** shall mean, with respect to any Person:

- (a) the commencement of: (i) a voluntary case by such Person under the Bankruptcy Code or (ii) the seeking of relief by such Person under other debtor relief Laws in any jurisdiction outside of the United States;
- (b) the commencement of an involuntary case against such Person under the Bankruptcy Code (or other debtor relief Laws) and the petition is not controverted or dismissed within sixty (60) days after commencement of the case;
- (c) a custodian (as defined in the Bankruptcy Code) (or equal term under any other debtor relief Law) is appointed for, or takes charge of, all or substantially all of the property of such Person;
- (d) such Person commences (including by way of applying for or consenting to the appointment of, or the taking of possession by, a rehabilitator, receiver, custodian, trustee, conservator or liquidator (or any equal term under any other debtor relief Laws) (collectively, a "**conservator**") of such Person or all or any substantial portion of its property) any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, liquidation, rehabilitation, conservatorship or similar law of any jurisdiction whether now or hereafter in effect relating to such Person;
- (e) such Person is adjudicated by a court of competent jurisdiction to be insolvent or bankrupt;
- (f) any order of relief or other order approving any such case or proceeding referred to in clauses (a) or (b) above is entered;
- (g) such Person suffers any appointment of any conservator or the like for it or any substantial part of its property that continues undischarged or unstayed for a period of sixty (60) days; or
- (h) such Person makes a compromise, arrangement or assignment for the benefit of creditors or generally does not pay its debts as such debts become due.

**"Interest Accrual Period"** shall mean a period of three months.

**"Interest Distribution Amount"** shall mean an amount equal to (a) the Cost of Funds for the related Monthly Period, as such amount is reported to the Borrower by the Administrative Agent, and (b) any unpaid Interest Distribution Amounts from prior Monthly Payment Dates *plus*, to the extent permitted by law, interest thereon at the Cost of Funds Rate for the related Monthly Period.

**"Internal Revenue Code"** shall mean the Internal Revenue Code of 1986.

**"Investment"** shall mean (a) any direct or indirect purchase or other acquisition by the Borrower of, or of a beneficial interest in, any of the Securities of any other Person; (b) any direct or indirect loan, advance (other than mortgage loans in the ordinary course of business, warehouse loans secured by mortgage loans and related assets, advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contributions by the Borrower to any other Person, including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business; (c) all investments consisting of any exchange traded or over the counter derivative transaction, including any Derivatives Contract, whether entered into for hedging or speculative purposes, and (d) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of any Person. The amount of any Investment of the type described in clauses (a), (b) and (d) shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

**"IRS"** shall mean the Internal Revenue Service of the United States of America.

**"Law"** shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, guideline, judgment, injunction, writ, decree or award of any Governmental Authority.

**"Lender"** shall mean each financial institution listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto as a Lender pursuant to an Assignment and Assumption (and, for the avoidance of doubt, excluding any Person that ceases to be a Lender).

**"Lien"** shall mean any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

**"Loan Note"** shall mean each Loan Note of the Borrower in the form of Exhibit B, payable to a Lender.

**"Majority Lenders"** shall mean, as of any date of determination, Lenders having Applicable Percentages of more than 50%.

**"Margin Stock"** shall have the meaning set forth in Regulation U.

**"Material Adverse Change"** shall mean the occurrence of an event or a change in circumstances that had or is reasonably likely to have a Material Adverse Effect.

**"Material Adverse Effect"** shall mean, any event or circumstance having a material adverse effect on any of the following: (a) the business, property, assets, operations or financial condition of the Borrower, (b) the ability of the Borrower to perform its obligations under the Transaction Documents or the Acknowledgment Agreement, (c) the validity or enforceability of this Agreement or any other Transaction Document or the Acknowledgment Agreement, or (d) the existence, perfection, priority or enforceability of the Administrative Agent's security interest in any portion of the Collateral.

**"Material Debt Facility"** shall have the meaning set forth in Section 6.1(j).

**"Maturity Date"** shall mean earlier of (a) March 20, 2027 and (b) the date the Obligations are accelerated pursuant to the terms of this Agreement.

**"Minimum Haircut Trigger Event"** shall exist at any time that (a) the product of the most recently determined Administrative Agent Market Value Percentage and the aggregate unpaid principal balance of the Ginnie Mae Mortgage Loans; less (b) the Aggregate Outstandings, does not exceed (c) [\*\*\*] of the aggregate unpaid principal balance of the Ginnie Mae Mortgage Loans (as reflected in the most recently delivered Monthly Report).

**"Monthly Payment Date"** shall mean (a) the 20th day of each calendar month or, if such 20<sup>th</sup> day is not a Business Day, the next succeeding Business Day, commencing April 20, 2023 and (b) the Maturity Date.

**"Monthly Period"** shall mean for each Monthly Payment Date, the calendar month preceding the month in which such Monthly Payment Date occurs; provided, however, that with respect to the first Monthly Payment Date, the Monthly Period shall be the period from and including the Closing Date to the end of the calendar month preceding such Monthly Payment Date.

**"Monthly Report"** shall have the meaning set forth in Section 5.1(s).

**"Moody's"** shall mean Moody's Investors Service, Inc.

**"Mortgaged Property"** shall mean the real property (including all improvements, buildings, fixtures and building equipment thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral securing repayment of the related Ginnie Mae Mortgage Loan.

**"Multi-Employer Plan"** shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any of its ERISA Affiliates has contributed, or has been obligated to contribute.

**"Nationally Recognized Accounting Firm"** shall mean (a) Deloitte USA and any successors to any such firm and (b) any other public accounting firm designated by the Borrower and approved by the Administrative Agent, such approval not to be unreasonably withheld or delayed.

**"Nationstar"** shall mean Nationstar Mortgage LLC, d/b/a Mr. Cooper.

**"Nationstar Subservicing Agreement"** shall mean the Subservicing Agreement, dated as of May 11, 2018, between the Borrower and Nationstar.

**"NHA"** shall mean the National Housing Act.

**"Notice of Borrowing"** shall have the meaning set forth in Section 2.4(a).

**"Obligations"** shall mean and include, with respect to the Borrower, all loans, advances, debts, liabilities, obligations, covenants and duties owing to the Administrative Agent, any Lender or any other Person by the Borrower of any kind or nature, present or future, arising under this Agreement, the Loan Notes or any of the other Transaction Documents, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising. The term includes the principal amount of all Advances, together with interest, charges, expenses, fees and expenses chargeable to the Borrower pursuant to this Agreement or any other Transaction Document.

**"Optional Prepayment"** shall have the meaning set forth in Section 2.10.

**"Optional Prepayment Amount"** shall have the meaning set forth in Section 2.10.

**"Other Connection Taxes"** shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Ginnie Mae MSR or Transaction Document).

**"Other Taxes"** shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Transaction Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

**"Paid in Full"** and **"Payment in Full"** shall mean, with respect to any or all of the Obligations, that each of the following events has occurred, as applicable: (a) the payment or repayment in full in immediately available funds of (i) the principal amount of all outstanding

Advances, (ii) all accrued and unpaid interest, fees, premiums or other charges owing in respect of any Advance or otherwise under any Transaction Document, and (iii) all accrued and unpaid costs and expenses payable by the Borrower to the Administrative Agent or any Lender pursuant to any Transaction Document, whether or not demand has been made therefor, including all indemnification and reimbursement claims that have been asserted by any such Person prior to such time, (b) the payment or repayment in full in immediately available funds or all other outstanding Obligations other than unasserted contingent indemnification and contingent reimbursement obligations, (c) the termination in writing of this Agreement, and (d) upon the request of the Administrative Agent, receipt by the Administrative Agent of a release from the Borrower in favor of the Secured Parties in form and substance acceptable to Administrative Agent.

**"Participant"** shall have the meaning set forth in Section 9.8.

**"Participant Register"** shall have the meaning set forth in Section 9.8.

**"Patriot Act"** shall have the meaning set forth in Section 9.19.

**"Permitted Holders"** shall mean (a) Matthew Ishbia; (b) any trust or other estate planning vehicle for the primary benefit of any individual named or described in clause (a); (c) any trust controlled by any individual named or described in clause (a); and (d) any Person owned and controlled, directly or indirectly, by any one or more Persons named or described in clauses (a), (b) or (c).

**"Permitted Liens"** shall mean (a) the security interest granted hereunder in favor of the Administrative Agent; (b) interests of Ginnie Mae in the Collateral which are pursuant and/or subject to the Ginnie Mae Servicing Contract and/or an Acknowledgment Agreement; (c) Liens for Taxes not yet due and payable; and (d) Liens securing judgments not constituting an Event of Default under Section 6.1(f) that are, expressly or by operation of law, subordinate to the Administrative Agent's Lien.

**"Person"** shall mean any individual, corporation (including a business trust), partnership, limited liability company, joint-stock company, trust, unincorporated organization or association, joint venture, government or political subdivision or agency thereof, or any other entity.

**"Plan Asset Regulations"** shall mean 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA.

**"Pool"** shall mean a group of Ginnie Mae Mortgage Loans, which are the security for a mortgage-backed security issued or guaranteed by Ginnie Mae.

**"Portfolio"** shall mean all of the Ginnie Mae Mortgage Loans owned by Ginnie Mae and serviced by the Borrower pursuant to the terms of the Ginnie Mae Servicing Contract.

**"Portfolio Delinquency Rate"** shall have the meaning given the term "DQ2+ Delinquency Ratio" in Chapter 18 of the Ginnie Mae Agency Guide.

**"Portfolio Hedges"** shall mean (a) transactions entered into pursuant to a Hedge Agreement, if any; (b) transactions entered into in the Futures Account, if any; and (c) such other transactions as Administrative Agent and Borrower may agree constitute Portfolio Hedges; provided, however, that the term "Portfolio Hedges" shall not include any of the foregoing to the extent such is subject to netting or set-off provisions.

**"Potential Event of Default"** shall mean any occurrence or event that, with the giving of notice, the passage of time or both, would constitute an Event of Default.

**"Prepayment Premium"** shall have the meaning set forth in the Agency Fee Letter.

**"Prime Rate"** shall mean, for any day, a rate *per annum* equal the prime rate of interest announced publicly by the Administrative Agent (or an affiliate of the Administrative Agent, as applicable, that announces such rate) as in effect at its principal office from time to time, changing when and as said prime rate changes (such rate not necessarily being the lowest or best rate charged by such Person) or, if the Administrative Agent or such affiliate thereof does not publicly announce the prime rate of interest, as quoted in The Wall Street Journal on such day.

**"Proceeding"** shall mean any claim, litigation, investigation or proceeding.

**"Proceeds"** shall mean "proceeds" as defined in Section 9-102(a)(64) of the UCC.

**"PTE"** shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

**"QFC"** has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

**"Recipient"** shall mean the Administrative Agent, the Lenders or any other recipient of any payment to be made by or on account of any obligation of the Borrower under this Agreement or any other Transaction Document.

**"Records"** shall mean all instruments, agreements and other books, records, and reports and data generated by other media for the storage of information maintained by the Borrower, or any other person or entity with respect to the Ginnie Mae MSRs.

**"Redemption Date"** shall have the meaning set forth in Section 2.10(a).

**"Reference Time"** with respect to any determination of the Benchmark shall mean the time determined by the Administrative Agent in accordance with the Benchmark Replacement Conforming Changes.

**"Register"** shall have the meaning set forth in Section 9.8.

**"Related Parties"** shall mean, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

**"Related Security"** shall mean with respect to any Ginnie Mae MSRs, (a) all security interests or Liens and property subject thereto from time to time, if any, purporting to secure payment of such Ginnie Mae MSR, whether pursuant to the Ginnie Mae Servicing Contract related to such Ginnie Mae MSR or otherwise, together with all financing statements covering any collateral securing such Ginnie Mae MSR; (b) all guarantees, indemnities, letters of credit, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of such Ginnie Mae MSR whether pursuant to the Ginnie Mae Servicing Contract related to such Ginnie Mae MSR or otherwise; and (c) any and all Proceeds of the foregoing.

**"Relevant Governmental Body"** shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**"REO Assets"** shall mean any real property owned by any Person and acquired as a result of the foreclosure or other enforcement of a lien on such asset securing a Ginnie Mae Mortgage Loan.

**"Reportable Event"** shall mean a reportable event as defined in Section 4043 of ERISA and the regulations issued under such Section, with respect to a Single-Employer Plan, excluding, however, such events as to which the Pension Benefit Guaranty Corporation by regulation or by public notice waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event.

**"Resolution Authority"** shall mean an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

**"Responsible Officer"** shall mean, with respect to any corporation, limited liability company or partnership, the chief executive officer, chief financial officer, any executive vice president or any senior vice president (the duties of which vice president include the administration or assistance in the administration of this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby), and the treasurer.

**"S&P"** shall mean S&P Global Ratings, a Standard & Poor's Financial Services LLC business.

**"Schedule of Collateral"** shall mean the Schedule of Eligible MSR Collateral and the Schedule of Ineligible MSR Collateral.

**"Schedule of Eligible MSR Collateral"** shall mean the schedule of MSR Collateral that meets the criteria of Eligible MSR Collateral and which includes identifying information relating to such MSR Collateral as agreed to between the Borrower and the Administrative Agent, which Schedule may be updated from time to time in accordance with the terms of this Agreement.

**"Schedule of Ineligible MSR Collateral"** shall mean the schedule of MSR Collateral that does not meet the criteria of an Eligible MSR Collateral, which Schedule may be updated from time to time in accordance with the terms of this Agreement.

**"Secured Parties"** shall mean the Administrative Agent and each Lender.

**"Securities"** shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

**"Servicer Advance"** shall mean advances made or required to be made in connection with the servicing of a mortgage loan, including advances to fund principal, interest, escrow, foreclosure, insurance, tax or other payments or advances when the obligor on the underlying Ginnie Mae Mortgage Loan is delinquent in making payments on such receivable; to enforce remedies, manage and liquidate REO Assets.

**"Servicer Termination Event"** shall mean any default, event of default or similar occurrence under the terms of the Ginnie Mae Servicing Contract, pursuant to which the Borrower may be terminated in its capacity as servicer in accordance with and pursuant to the terms of such Ginnie Mae Servicing Contract.

**"Servicer Acknowledgment Agreement"** shall mean a letter agreement among the Borrower, the Administrative Agent and an Approved Subservicer substantially in the form of Exhibit F or otherwise in form and substance reasonably satisfactory to the Administrative Agent.

**"Servicing Advance Facility"** shall mean any funding arrangement with a lender, lenders or an indenture trustee, acting on behalf of noteholders, secured by the right to be reimbursed for Servicer Advances made by the Borrower as servicer the Ginnie Mae Servicing Contract under which financing advances are made to the Borrower based on such advance reimbursement rights.



**"Servicing Diligence Agent"** shall mean Weston Portfolio Group, LLC, and any successor thereto in such capacity.

**"Servicing Diligence Agent Fees"** shall mean fees in an aggregate amount not to exceed \$100,000 per annum, that are due and owing to the Servicing Diligence Agent as set forth in the Servicing Diligence Agreement or in any successor agreement thereto.

**"Servicing Diligence Agreement"** shall mean Servicing Diligence Agreement, dated as of the Closing Date among the Servicing Diligence Agent, the Borrower and Administrative Agent.

**"Servicing Fee"** shall mean, with respect to any Ginnie Mae Mortgage Loan, the aggregate monthly fee payable to the Borrower in servicing such Ginnie Mae Mortgage Loan pursuant to the Ginnie Mae Servicing Contract, not including any Ancillary Income.

**"Servicing Income"** shall mean, with respect to any Ginnie Mae Mortgage Loan, all Servicing Fees and Ancillary Income payable to the Borrower as servicer (as applicable) pursuant to the Ginnie Mae Agency Guide.

**"Servicing Receivables"** shall mean all of the Borrower's present and future rights to be reimbursed for Servicer Advances made with respect to a Ginnie Mae Mortgage Loan pursuant to the Ginnie Mae Servicing Contract.

**"Shifting Control Notice"** shall have the meaning set forth in the Account Control Agreement.

**"Single-Employer Plan"** shall mean any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multi-Employer Plan, that is subject to Title IV of ERISA or Section 412 of the Internal Revenue Code and is sponsored or maintained by the Borrower or any ERISA Affiliate or for which the Borrower or any ERISA Affiliate may have or have had liability within five (5) plan years preceding the date of this Agreement by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

**"SOFR"** shall mean, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.

**"SOFR Administrator"** shall mean the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

**"SOFR Administrator's Website"** shall mean the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

**"Subservicing Agreement"** shall mean each Approved Subservicing Agreement and any other subservicing agreement with a subservicer, in each case, solely to the extent such subservicing agreement relates to any Ginnie Mae Mortgage Loans.

**"Subsidiary"** shall mean, with respect to any Person at any time, (a) any corporation or trust of which 50% or more (by number of shares or number of votes) of the outstanding Capital Stock or shares of beneficial interest normally entitled to vote for the election of one or more directors, managers or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person's subsidiaries, or any partnership of which such Person or any of such Person's Subsidiaries is a general partner or of which 50% or more of the partnership interests is at the time directly or indirectly owned by such Person or one or more of such Person's subsidiaries and (b) any corporation, trust, partnership or other entity which is Controlled or capable of being Controlled by such Person or one or more of such Person's subsidiaries.

**"Taxes"** shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, and including any interest, additions to tax or penalties applicable thereto.

**"Term SOFR"** shall mean, with respect to any Advance, the Term SOFR Reference Rate for a one month tenor, on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator for such day; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Date the Term SOFR Reference Rate for the foregoing tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to Term SOFR has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; *provided further* that if Term SOFR would be less than the Floor for any calculation period under the Agreement, Term SOFR will be the Floor for such period.

**"Term SOFR Administrator"** shall mean CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

**"Term SOFR Reference Rate"** shall mean the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**"Transactions"** shall mean, collectively, the transactions to occur on or prior to the Closing Date and thereafter on each Borrowing Date pursuant to the Transaction Documents

including (a) the execution, delivery and performance of the Transaction Documents and the Acknowledgment Agreement and the Advances hereunder and (b) the payment of all fees and expenses due and owing in connection with the foregoing.

**"Transaction Documents"** shall mean this Agreement, the Loan Notes, the Fee Letters, the Account Control Agreement, the Servicer Acknowledgment Agreements and any other agreements, instruments, certificates or documents delivered or contemplated to be delivered hereunder or thereunder or in connection herewith or therewith, as the same may be supplemented or amended from time to time hereafter in accordance herewith or therewith, and "Transaction Document" shall mean any of the Transaction Documents.

**"Trigger Event"** shall mean the occurrence of any of the following:

- (a) the average of the [\*\*\*] most recent monthly Portfolio Delinquency Rates with respect to the Borrower's servicing portfolio relating to Ginnie Mae is greater than [\*\*\*]; or
- (b) the two year "compare ratio" assigned to the Borrower by FHA under its "Neighborhood Watch" program exceeds [\*\*\*].

**"UCC"** shall mean the Uniform Commercial Code as from time to time in effect in any applicable jurisdiction.

**"UK Financial Institution"** shall mean any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

**"UK Resolution Authority"** shall mean the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

**"Unadjusted Benchmark Replacement"** shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

**"United States"** shall mean the United States of America.

**"U.S. Person"** shall mean any Person who is a U.S. person within the meaning of Section 7701(a)(30) of the Internal Revenue Code.

**"U.S. Government Securities Business Day"** shall mean any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association (or a successor organization) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

**"U.S. Tax Compliance Certificate"** shall have the meaning set forth in Section 2.14(g)(ii)(B)(3).

**"VA"** shall mean the U.S. Department of Veterans Affairs.

**"Valuation Agent"** shall mean the valuation service providers identified on Schedule I, as may be amended from time to time with the written consent of the Administrative Agent, the Borrower and the Majority Lenders with notice to Ginnie Mae.

**"Valuation Agent MSR Value"** shall mean, as of any date of determination, the product of (a) the Ginnie Mae Advance Rate, (b) the Valuation Agent Market Value Percentage, and (c) the aggregate unpaid principal balance of the Ginnie Mae Mortgage Loans.

**"Valuation Agent Market Value Percentage"** shall mean, with respect to any Ginnie Mae MSR as of any date of determination, the percentage to be applied to the unpaid principal balance of the applicable Ginnie Mae Mortgage Loans, to arrive at the fair market value of such Ginnie Mae MSR, as most recently determined by a Valuation Agent in accordance with Section 2.6.

**"Write-Down and Conversion Powers"** shall mean, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 Computation of Time Periods. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each means "to but excluding" and the word "through" means "through and including."

Section 1.3 Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (A) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments,

supplements or modifications set forth therein), (B) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (C) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (D) all references herein to Sections, Schedules and Exhibits shall be construed to refer to Sections of, and Schedules and Exhibits to, this Agreement, (E) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real property, tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and interests in any of the foregoing, (F) any reference to a statute, rule or regulation is to that statute, rule or regulation as now enacted or as the same may from time to time be amended, re-enacted or expressly replaced, (G) "or" is not exclusive, and (H) capitalized terms used herein and not defined, but which are defined in the Agency Fee Letter shall have the meaning specified in such Fee Letter.

Section 1.4 Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the audited financial statements, except as otherwise specifically prescribed herein; provided that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any Financial Covenant to eliminate the effect of any change in GAAP on the operation of such covenant, then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Administrative Agent.

## ARTICLE II

### AMOUNTS AND TERMS OF THE ADVANCES

Section 2.1 Establishment of the Credit Facility. On the Closing Date, and subject to and upon the terms and conditions set forth in this Agreement, the other Transaction Documents and the Acknowledgment Agreement, the Administrative Agent and the Lenders agree to establish the credit facility set forth in this Agreement for the benefit of the Borrower.

#### Section 2.2 The Advances.

(a) Upon the terms and subject to the conditions hereinafter set forth, each Lender, severally but not jointly, may, in its sole and absolute discretion, from time to time during the Availability Period, make loans (each an "**Advance**") to the Borrower in an aggregate amount outstanding up to but not exceeding the Aggregate Facility Limit; provided, that no such Advance shall cause a Borrowing Base Deficiency or a Funding Base Deficiency. **The Borrower hereby acknowledges and agrees that, notwithstanding any provision of this Agreement, or anyother Transaction Document, no Lender has any obligation to make any**

**Advances and this Agreement does not create, and shall not be construed to create, any contractual or other commitment by any Lender to make any Advance.**

(b) Subject to the foregoing clause (a), any Advances prepaid may be reborrowed.

Section 2.3 Use of Proceeds. Except as otherwise provided in Section 2.16, proceeds of Advances shall only be used by the Borrower to (a) finance, in the ordinary course of business, Ginnie Mae eligible mortgage servicing rights and related assets, (b) pay certain fees and expenses incurred in connection with the establishment of the credit facility set forth in this Agreement, (c), make cash distributions from time to time pursuant to Section 5.2(b) in an amount not exceeding the excess of the Borrowing Base over the Aggregate Outstandings and (d) for general corporate purposes.

Section 2.4 Making the Advances. (a) Except as otherwise provided herein, the Borrower may request the Lenders to make Advances to the Borrower no more frequently than twice per week (or such greater number of times as may be agreed by the Administrative Agent) by the delivery to the Administrative Agent, not later than 2:00 P.M. (New York City time) on any Business Day of a written notice of such request substantially in the form of Exhibit A (each such notice, a **'Notice of Borrowing'**), together with a duly completed Borrowing Base Certificate, signed by a Responsible Officer and including Schedule of Collateral. Any Notice of Borrowing or Borrowing Base Certificate received by the Administrative Agent after the time specified in the immediately preceding sentence shall be deemed to have been received by the Administrative Agent on the next Business Day, and to the extent that results in the proposed Borrowing Date being earlier than [\*\*\*] after the date of delivery of such Notice of Borrowing, then the date specified in such Notice of Borrowing as the proposed Borrowing Date of an Advance shall be deemed to be the Business Day immediately succeeding the proposed Borrowing Date of such Advance originally specified in such Notice of Borrowing. The proposed Borrowing Date specified in a Notice of Borrowing shall be no earlier than [\*\*\*] after the date of delivery of such Notice of Borrowing and may be up to a maximum of thirty (30) days after the date of delivery of such Notice of Borrowing. Unless otherwise provided herein, each Notice of Borrowing shall be irrevocable and shall specify (i) the aggregate principal amount of the Advance requested, and (ii) the Borrowing Date (which shall be a Business Day).

(c) The aggregate principal amount of each Advance shall not be less than \$1,000,000 (or such lesser amount as may be agreed by the Administrative Agent from time to time in its sole discretion).

(d) Upon receipt by the Administrative Agent of a Notice of Borrowing and a Borrowing Base Certificate from the Borrower, the Administrative Agent shall promptly (on the date of its deemed receipt of the Notice of Borrowing and the related Borrowing Base Certificate) deliver to each Lender a copy of such Notice of Borrowing and a written notice specifying each such Lender's Applicable Percentage of the amount requested by the Borrower pursuant to the applicable Notice of Borrowing.

(e) Each Lender may, in its sole discretion, make Advances in an aggregate amount equal to its Applicable Percentage of the amount requested by the Borrower pursuant to the applicable Notice of Borrowing; provided that if any Lender elects, in its sole and absolute discretion, not to provide all or any portion of a requested Advance, the other Lenders (on a pro rata basis or such other basis as may be agreed by the Lenders) may agree to provide all or any portion of such Advance.

(f) The Lenders shall make any such Advances to the Administrative Agent's Account by no later than 2:00 P.M. (New York City time) on the Borrowing Date specified or deemed specified in such Notice of Borrowing. The Administrative Agent shall promptly make any such Advance available to the Borrower in Dollars to the Borrower's Account.

(g) Except as otherwise provided pursuant to Section 2.4(d), all Advances shall be made by the Lenders simultaneously and proportionately to their respective Applicable Percentages thereof, it being understood that no Lender shall be responsible for any failure by any other Lender to make an Advance requested hereunder.

Section 2.5 [Reserved].

Section 2.6 Borrowing Base. (a) After delivery to the Administrative Agent of each Monthly Report, the Administrative Agent shall prepare a borrowing base report which calculates the Borrowing Base and sets forth the Administrative Agent Market Value Percentage used for such calculation. No later than [\*\*\*] after receipt of such Monthly Report, the Administrative Agent shall provide the Borrower and Ginnie Mae with a copy of such borrowing base report.

(h) Additionally, The Administrative Agent may, in its sole, good faith discretion, and shall, at the request of the Majority Lenders, on any date, calculate the Borrowing Base and shall provide written notice thereof to the Borrower. To the extent any such calculation results in a Borrowing Base Deficiency, the Administrative Agent shall deliver a notice to the Borrower and each Lender (a "**Borrowing Base Deficiency Notice**"), setting forth the calculation thereof (which shall be conclusive absent manifest error), and the Borrowing Base Required Payment to be made by the Borrower as a result of such calculation (which amount shall be paid in accordance with Section 2.9). At the Administrative Agent's discretion, the Administrative Agent may obtain valuation reports with respect to the Administrative Agent MSR Value from a Valuation Agent, at any time and from time to time on a non-binding basis.

(i) Notwithstanding the foregoing or anything to the contrary contained herein, and except during the existence of a Potential Event of Default or an Event of Default, the Borrower shall have the right to dispute the Administrative Agent's calculation of the Administrative Agent MSR Value by notifying the Administrative Agent and the Lenders within one (1) Business Day after the Borrower receives a Borrowing Base Deficiency Notice (a "**Borrowing Base Dispute**"). If the Borrower initiates a Borrowing Base Dispute, then the Administrative Agent, on one hand, and the Borrower, on the other hand, shall each promptly direct separate Valuation Agents to prepare a valuation report with respect to such Administrative Agent MSR

Value; provided that the Borrower and the Administrative Agent agree to use commercially reasonable efforts to include the other Person on any verbal or written communications with any applicable Valuation Agent, to the extent practical. The average of the midpoint values indicated in the two valuation reports submitted by the Valuation Agents shall become the conclusive Valuation Agent Market Value Percentage of the Ginnie Mae MSRs that constitute Eligible MSR Collateral, binding upon all parties to this Agreement, absent manifest error.

(j) Any costs, expenses, fees and other amounts due and owing to any Valuation Agent in connection with the engagement of such Valuation Agent in connection with a Borrowing Base Dispute pursuant to Section 2.6(c) shall be an Obligation of the Borrower and shall become due and payable on the immediately succeeding Monthly Payment Date in accordance with Section 2.7.

Section 2.7 Repayment of the Advances. (a) The outstanding principal balance of the Advances and the other Obligations owing under this Agreement, together with all accrued but unpaid interest thereon, shall be due and payable on the Maturity Date.

(k) On each Monthly Payment Date during the Availability Period, except after the occurrence and during the continuation of an Event of Default, the Borrower shall cause the payment in full of all Distributable Amounts to the Administrative Agent for payment to the applicable Persons; provided that the Borrower shall pay the Servicing Diligence Agent Fees directly to the Servicing Diligence Agent on or prior to each Monthly Payment Date as provided in the Servicing Diligence Agreement.

(l) So long as no Event of Default has occurred and is continuing, on each Monthly Payment Date following the end of the Availability Period, amounts on deposit in the Collection Account, including Collections deposited therein during the related Collection Period shall, at the direction of the Administrative Agent, be disbursed by the Account Bank from the Collection Account and applied on such Monthly Payment Date in the following order of priority:

(i) first, ratably (x) to the Administrative Agent, all Fees, costs, expenses, reimbursements and indemnification amounts owed to the Administrative Agent pursuant to the terms of the Transaction Documents, and (y) to the Servicing Diligence Agent, the Servicing Diligence Agent Fees with respect to such Monthly Payment Date;

(ii) second, to the Administrative Agent, on behalf of the Lenders, the Interest Distribution Amount with respect to such Monthly Payment Date;

(iii) third, to the Administrative Agent, on behalf of the Lenders, *pro rata*, in an amount equal to greater of (x) the Additional Principal Amortization Amounts due and payable on such Monthly Payment Date and (y) the amounts remaining in the Collection Account (up to an amount that would pay the Advances in full);

(iv) fourth, to the Administrative Agent, on behalf of any applicable party, all amounts that are then due and payable pursuant to Section 2.11;



(v) fifth, to the Administrative Agent, on behalf of any applicable party, all fees, expenses, indemnitees and other amounts that are due and payable by the Borrower and incurred in connection with this Agreement and required to be paid or reimbursed hereunder, the financing, management, operation or maintenance of the Collateral or the Transaction Documents, including to consultants and experts retained by the Borrower (including attorneys and accountants) and Valuation Agents retained pursuant to the terms hereof;

(vi) sixth, to the Administrative Agent, on behalf of any applicable party, the ratable payment of all other Obligations that are past due or payable on such date;

(vii) seventh, to the Servicing Diligence Agent, all costs, expenses, reimbursements and indemnification amounts owed to the Servicing Diligence Agent pursuant to the terms of the Servicing Diligence Agreement; and

(viii) eighth, all remaining amounts to the Borrower's Account on such date.

(m) On each Monthly Payment Date following the occurrence and during the continuation of an Event of Default, amounts on deposit in the Collection Account, including Collections deposited therein during the related Collection Period shall, at the direction of the Administrative Agent, be disbursed by the Account Bank from the Collection Account and applied on such Monthly Payment Date in the following order of priority:

(i) first, to the Borrower, an amount equal to the Base Servicing Fee, less any amounts withheld by or paid to any subservicer of the related Ginnie Mae Mortgage Loans, with respect to the related Collection Period;

(ii) second, ratably (x) to the Administrative Agent, all Fees, costs, expenses, reimbursements and indemnification amounts owed to the Administrative Agent pursuant to the terms of the Transaction Documents, and (y) to the Servicing Diligence Agent, the Servicing Diligence Agent Fees with respect to such Monthly Payment Date;

(iii) third, to the Administrative Agent, on behalf of the Lenders, *pro rata*, and payable with respect to the Advances (x) the Interest Distribution Amount with respect to such Monthly Payment Date and (y) to the principal balance of the outstanding Advances until reduced to \$0.00;

(iv) fourth, to the Administrative Agent, on behalf of the Administrative Agent and each Lender, all amounts that are then due and payable to such Persons pursuant to Section 2.11;

(v) fifth, to the Administrative Agent, on behalf of the Administrative Agent and each Lender, all fees, expenses, indemnitees and other amounts that are due and payable by the Borrower to such Persons and incurred in connection with this Agreement and required to be paid or reimbursed hereunder, the financing, management, operation or

maintenance of the Collateral or the Transaction Documents, including to consultants and experts retained by the Borrower (including attorneys and accountants) and Valuation Agents retained pursuant to the terms hereof;

(vi) sixth, to the Administrative Agent, on behalf of the Administrative Agent and each Lender, the ratable payment of all other Obligations that are past due or payable on such date to such Persons;

(vii) seventh, to the Servicing Diligence Agent, all costs, expenses, reimbursements and indemnification amounts owed to the Servicing Diligence Agent pursuant to the terms of the Servicing Diligence Agreement; and

(viii) eighth, all remaining amounts to the Borrower's Account on such date.

Notwithstanding anything to the contrary in this Agreement or any of the other Transaction Documents, all terms and provisions of this Agreement and the other Transaction Documents are and shall be subject to the terms and provisions of the Acknowledgment Agreement. To the extent that any conflict necessarily exists or shall be adjudged to exist between the terms and provisions of this Agreement and those of the Acknowledgment Agreement, solely with respect to the relationship and agreements between Borrower and/or Administrative Agent, on the one hand, and Ginnie Mae, on the other hand, the terms and provisions of the Acknowledgment Agreement shall govern and control.

(n) Notwithstanding the foregoing, after the end of the Availability Period or after the occurrence and during the continuation of an Event of Default, in the event that amounts available for distribution from the Collection Account pursuant to Section 2.7(c) or (d) are insufficient to pay in full all amounts due and owing on any Monthly Payment Date, then the Borrower shall have an unconditional obligation to cause the payment in full of the applicable deficiency to the Administrative Agent for payment to the applicable Persons. The Borrower's obligation to pay amounts pursuant to this Section 2.7(e) shall be "full recourse" obligations of the Borrower.

Section 2.8 Application of Prepayment of Advances Each repayment of Advances pursuant to Section 2.7 and each prepayment of Advances pursuant to Section 2.9 or 2.10 shall be applied to prepay the Advances on a pro rata basis until paid in full.

#### Section 1.1 Mandatory Prepayments of Advances

##### (a) Borrowing Base Deficiency.

(i) If a Borrowing Base Deficiency exists on any date, the Borrower shall pay to the Administrative Agent, for the account of the Lenders, the Borrowing Base Required Payment, together with accrued but unpaid interest on the amount required to be so prepaid to the date of such prepayment. All such amounts shall become due and payable no later than 3:00 p.m. (New York City time) on the Business Day following the

Borrower's receipt of a Borrowing Base Deficiency Notice. For the avoidance of doubt, the [\*\*\*] period during which the Borrower may dispute the Administrative Agent's determination of the Administrative Agent MSR Value set forth in Section 2.6 shall not operate to extend the cure periods referenced in the preceding sentence.

(ii) In the event that a Borrowing Base Deficiency exists and without limiting the Administrative Agent's right to determine the Borrowing Base on any day, the Administrative Agent may retain any funds received by it to which Borrower would otherwise be entitled hereunder, which funds may be held by the Administrative Agent against the related Borrowing Base Required Payment.

(iii) Notwithstanding anything to the contrary contained in this Section 2.9 or otherwise, all obligations of the Borrower to eliminate a Borrowing Base Deficiency and any right of the Administrative Agent and any Lender in respect of a Borrowing Base Deficiency, shall be subject in all respects to the right of the Administrative Agent to determine the Borrowing Base, which right shall supersede all of such obligations and rights in respect of the Borrowing Base Deficiency set forth in this Section 2.9 or otherwise.

**Section 2.9 Optional Prepayments; Removal of Collateral.**

(a) Optional Prepayments. At any time, the Borrower may, at its option, prepay all or any portion of the Advances outstanding (an "Optional Prepayment") on any date (the "Redemption Date") upon prior written notice delivered to the Administrative Agent not later than 12:00 p.m. (New York City time) two (2) Business Days prior to the date of such payment; provided that the Borrower shall be permitted to deliver such notice no more frequently than two (2) times during any week (or such greater number of times as may be agreed by the Administrative Agent). Each such notice shall be in the form attached hereto as Exhibit E and shall specify (i) the aggregate amount of the prepayment to be made on such Advances (such amount, the "Optional Prepayment Amount"), (ii) the Redemption Date, and (iii) if applicable, the Collateral to be released on such Redemption Date, and shall include a duly completed Borrowing Base Certificate containing information accurate as of such date. Each Optional Prepayment shall be in a minimum principal amount equal to \$1,000,000 and in integral multiples of \$100,000 in excess thereof. Any prepayment of the Advances outstanding shall be accompanied by a payment of all accrued and unpaid interest on the amount prepaid, any applicable Fees, any applicable Prepayment Premiums and all outstanding indemnity Obligations of the Borrower, then due and owing under this Agreement through such Redemption Date.

(b) Removal of Collateral. Notwithstanding language herein to the contrary, after giving effect to any release of Collateral (whether in connection with an Optional Prepayment pursuant to Section 2.10(a) above or pursuant to any other provision of this Agreement), the following conditions must be satisfied:

(i) no selection procedures are used with respect to identification of Collateral to be released or retained that are materially adverse to the Secured Parties;

(ii) no Borrowing Base Deficiency, Funding Base Deficiency, Potential Event of Default or Event of Default shall exist either prior to, or after giving effect to the prepayment of the applicable portion of the Advances outstanding and/or the release of the related Collateral; and

(iii) the representations and warranties set forth in Article IV are true and correct as of such Redemption Date in all material respects (except to the extent (x) such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date and (y) any such representation or warranty is already qualified by materiality or material adverse effect, such representation or warranty shall be true and correct in all respects) after giving effect to the prepayment of the applicable portion of the Advances outstanding and release of the related Collateral.

Section 2.11 Determination of Interest Rate.

(a) Interest Rate. Interest on the outstanding principal balance of the Advances shall accrue from the Closing Date at the Cost of Funds Rate. Any change in the rate of interest hereunder due to a change in the Cost of Funds Rate shall become effective as of the opening of business on the first day on which such change in the Cost of Funds Rate shall become effective. Each determination by the Administrative Agent of the Cost of Funds Rate shall be conclusive and binding for all purposes, absent manifest error.

(b) Increased Costs. If (i) the then-current Benchmark for any Interest Accrual Period with respect to a proposed Advance does not adequately and fairly reflect the cost to a Lender of funding an Advance or (ii) any Change in Law (A) shall subject any Lender or the Administrative Agent (each of which, an "**Affected Party**") to any Taxes (other than (x) Indemnified Taxes, (y) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (z) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (B) shall impose, modify or deem applicable any reserve requirement (including any reserve requirement imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Affected Party or (C) shall impose any other condition affecting the rights of any Lender and the Administrative Agent hereunder, and in each case the result of which is to increase the cost to any Affected Party under this Agreement or to reduce the amount of any sum received or receivable by an Affected Party under this Agreement below that which such Affected Party would have received but for such occurrence, then within 30 days following the receipt of written demand by such Affected Party (provided that such Affected Party shall provide the Borrower with notice within a reasonable period of time following such Affected Party's discovery of such increased costs or reductions), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost incurred or such reduction suffered to the extent such additional or increased costs or reduction are incurred or suffered in connection with any obligation to make

Advances hereunder, any of the rights of such Lender or the Administrative Agent hereunder, or any payment made hereunder.

(c) Capital Adequacy. If any Change in Law regarding capital adequacy or liquidity by any Governmental Authority, central bank or comparable agency charged by Applicable Law with the interpretation or administration thereof, or compliance by such Lender or its parent corporation with any request or directive regarding capital adequacy or liquidity (whether or not having the force of law) of any such authority, central bank, or comparable agency, in each case made subsequent to the date hereof, has or would have effect of reducing the rate of return on the capital of any Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which any such Affected Party could have achieved but for such introduction, change, compliance or change (taking into consideration the policies of such Affected Party with respect to capital adequacy or liquidity) by an amount deemed by such Affected Party to be material, then on the next Monthly Payment Date following the receipt of written demand by such Affected Party, the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction.

If as a result of any event or circumstance similar to those described in Sections 2.11(b) or (c), any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party in connection with this Agreement or the funding or maintenance of Advances hereunder, then on the next Monthly Payment Date following the receipt of written demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts paid by it. In determining any amount provided for in this Section 2.11, the Affected Party may use any reasonable averaging and attribution methods.

Any Affected Party making a claim or demand under this Section 2.11 shall submit to the Borrower a certificate as to such additional or increased cost or reduction, showing the basis for such claim or demand in reasonable detail including calculation thereof, which basis must be reasonable and supported, which certificate shall be conclusive absent manifest error. If any material amounts are required to be paid by the Borrower pursuant to Section 2.11(b) or (c), the Borrower shall be entitled to, upon written notice (which notice shall be received within five (5) Business Days after the applicable demand or claim), prepay all outstanding Advances held by such Affected Party and terminate the Agreement with respect to such Affected Party. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable.

(d) Effect of Benchmark Transition Event.

(i) Notwithstanding anything to the contrary herein or in any other Transaction Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th)

Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Majority Lenders.

(ii) In connection with the implementation of a Benchmark Replacement, the Administrative Agent, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(iii) The Administrative Agent will promptly notify the Borrower and the Lenders of (w) any occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, (x) the implementation of any Benchmark Replacement, (y) the effectiveness of any Benchmark Replacement Conforming Changes and (z) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Majority Lenders, as applicable, pursuant to this Section 2.11(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their reasonable discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.11(d).

(iv) Upon the Borrower's receipt of notice of the commencement of any Benchmark Unavailability Period, the Borrower may revoke any pending request for an Advance.

(e) Illegality. Notwithstanding any other provision of this Agreement, in the event that any Lender shall have reasonably determined in good faith that any Change in Law shall make it unlawful for such Lender to fund or maintain any Advance by compliance by such Lender in good faith with any Law, then such Lender shall promptly notify the Administrative Agent and the Borrower, following which (i) such Lender's obligation to fund any Advance shall be suspended until such time as such Lender may again fund and maintain its Advances hereunder, (ii) if a Notice of Borrowing has been submitted pursuant to Section 2.4(a) but the affected Advance has not been funded, the Borrower may revoke such Notice of Borrowing by giving written notice to the Administrative Agent thereof on the same day that such Borrower was notified by the Lender pursuant to this Section 2.11(e) and (iii) if such Law shall so mandate, such Lender's outstanding Advances shall be prepaid by the Borrower together with accrued and unpaid interest thereon and all other amounts payable by the Borrower to such Lender under this Agreement on the next Monthly Payment Date with respect to such Advances (or before such date as shall be mandated by such Law), it being acknowledged that any amounts

prepaid pursuant to clause (c) above may be paid with an Advance or Advances made with an interest rate calculated by reference to the Alternative Rate.

**Section 2.12 Payments and Computations.** (a) The Borrower (through, to the extent applicable, the Administrative Agent pursuant to Section 2.7) shall make each payment and prepayment hereunder and under the Loan Notes in respect of principal, interest, expenses, indemnities, fees or other Obligations due from the Borrower to the Administrative Agent or any Lender not later than 3:00 P.M. (New York City time) on the day when due in Dollars to the Administrative Agent at its address referred to in Section 9.3 or to the Administrative Agent's Account in immediately available, same-day funds. The Administrative Agent will promptly thereafter cause like funds to be distributed (i) if such payment by the Borrower is in respect of principal, interest or any other Obligation then payable hereunder and under the other Transaction Documents to more than one Lender, then to such Lenders ratably in accordance with the amounts of such respective Obligations then payable to such Lenders and (ii) if such payment by the Borrower is in respect of any Obligation then payable hereunder to one Lender, then to such Lender, in each case to be applied in accordance with Section 2.7. Notwithstanding the foregoing, to the extent the Administrative Agent does not receive the full amount of any payment required hereunder when due, the Administrative Agent may hold any such partial payment for one (1) Business Day prior to distribution of such amounts. All computations of interest shall be made by the Administrative Agent on the basis of a year of 360 days in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. All computations of interest based on the Alternative Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(f) All payments to be made in respect of fees due hereunder to the Administrative Agent or any Lender from the Borrower shall be made pursuant to Section 2.7, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower, and without setoff, counterclaim or other deduction of any nature (other than with respect to Taxes pursuant to Section 2.14), and an action therefor shall immediately accrue.

**Section 2.13 Payment on Non-Business Days.** Whenever any payment hereunder or under the Loan Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest.

**Section 2.14 Taxes.**

(a) Defined Terms. For purposes of this Section 2.14 the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Transaction Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as

determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.8 relating to the maintenance of the Participant Register, and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Transaction Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Transaction Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 2.14(e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.14, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such



Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Recipients.

(i) Any Recipient that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Recipient, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Recipient is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.14(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Recipient's reasonable judgment such completion, execution or submission would subject such Recipient to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Recipient.

(ii) Without limiting the generality of the foregoing,

(A) any Recipient that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Recipient becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Recipient is exempt from U.S. federal backup withholding tax;

(B) any Recipient that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the Borrower or Administrative Agent) on or prior to the date on which such Recipient becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Recipient claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Transaction Document, executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to

the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Transaction Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Recipient claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate (in a form reasonably acceptable to the Borrower) to the effect that such Recipient is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "**U.S. Tax Compliance Certificate**") and (y) executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable; or

(4) to the extent a Recipient is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate, IRS Form W-9 or other certification documents from each beneficial owner, as applicable; provided that if the Recipient is a partnership and one or more direct or indirect partners of such Recipient are claiming the portfolio interest exemption, such Recipient may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(C) any Recipient which is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Recipient becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Recipient under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of

FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Recipient shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "**FATCA**" shall include any amendments made to FATCA after the date of this Agreement.

Each Recipient agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.14(h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.14(h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.14(h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 2.14(h) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the

replacement of, a Lender and the repayment, satisfaction or discharge of all obligations under any Transaction Document.

Section 2.15 Security Interest. (a) Subject to the terms of the Acknowledgment Agreement, the Borrower hereby grants, pledges and assigns to the Administrative Agent (on behalf of and for the ratable benefit of each Secured Party) as security for the payment and performance by the Borrower of the Obligations, a security interest in all of the Borrower's right, title and interest in, to and under, in any case, whether now held or hereafter acquired:

- (i) all Ginnie Mae MSR's;
- (ii) all Servicing Income;
- (iii) the Collection Account and all sums from time to time on deposit in it;
- (iv) the Borrower's rights, powers and remedies under any Approved Subservicing Agreements;
- (v) all Related Security;

(vi) the Borrower's rights, powers and remedies under the Portfolio Hedges (which shall be acceptable in form and substance acceptable to the Administrative Agent) and any rights to receive payments thereunder or any rights to collateral thereunder whether now owned or hereafter acquired, now existing or hereafter created;

(vii) all rights to have and receive any of the Collateral described above, all accessions or additions to and substitutions for any of such Collateral, together with all renewals and replacements of any of such Collateral, all of the Borrower's present and future accounts, payment intangibles and general intangibles arising from or relating to any Collateral; and

(viii) all Records relating to and all proceeds of the foregoing, including all insurance and claims for insurance effected or held for the benefit of the Borrower or the Administrative Agent in respect of any of the foregoing, in each case whether now existing or hereafter arising, accruing or accrued, but excluding, for the avoidance of doubt, with respect to the Ginnie Mae MSR's, any Servicing Receivables (collectively, (i)-(viii), the "**Collateral**").

(j) The parties acknowledge that Ginnie Mae has certain rights under the Acknowledgment Agreement, including the right to cause the Borrower to transfer servicing to a transferee servicer under certain circumstances as more particularly set forth therein. The transferee servicer shall have all the rights and remedies against the Borrower and the Collateral as set forth herein and under the UCC.

(k) GS&Co. hereby acknowledges the grant, pledge and assignment of the Borrower's rights (but not its obligations) under the Portfolio Hedges set forth in Section 2.15(a)(vi) and agrees that such grant, pledge and assignment does not violate any restrictions related thereto set forth in such Portfolio Hedges.

(l) The Borrower will promptly, at its expense, execute and deliver such instruments, financing and continuation statements and documents and take such other actions as the Administrative Agent may reasonably request from time to time in order to perfect, protect, evidence, exercise and enforce the Administrative Agent's and each Lender's interests, rights and remedies under and with respect to the Transaction Documents, the Acknowledgment Agreement, the Advances and the Collateral. To the extent the Borrower has filed or caused the filing of any document as provided above, the Borrower, shall deliver to the Administrative Agent file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing.

(m) If the Borrower fails to perform any of its obligations in this Section 2.15, then the Administrative Agent may (but shall not be required to) perform or cause to be performed such obligation, and the costs and expenses incurred by the Administrative Agent in connection therewith shall be payable by the Borrower. Without limiting the generality of the foregoing, if the Borrower fails to perform any of its obligations, the Borrower authorizes the Administrative Agent, at the option of the Administrative Agent and the expense of the Borrower, at any time and from time to time, to take all actions and pay all amounts that the Administrative Agent deems necessary or appropriate to protect, enforce, preserve, insure, service, administer, manage, perform, maintain, safeguard, collect or realize on the Collateral, including the right to liquidate the Collateral, and the Administrative Agent's Liens and interests therein or thereon and to give effect to the intent of the Transaction Documents and the Acknowledgment Agreement. No Potential Event of Default or Event of Default shall be cured by the payment or performance of any obligation by the Administrative Agent on behalf of the Borrower. The Administrative Agent may make any such payment in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, Tax Lien, title or claim except to the extent such payment is being contested in good faith by the Borrower in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

(n) Upon termination of this Agreement and Payment in Full, Administrative Agent shall release its security interests in the Collateral and promptly file termination statements with respect to each financing statement filed pursuant to this Section 2.15 and take such other action as may reasonably be requested by the Borrower to evidence such release.

Section 2.16 Limited Pledge of Ginnie Mae Servicing. The Administrative Agent and each additional Lender acknowledge and agree that (x) the Borrower is entitled to the Servicing Income with respect to a given mortgage pool only so long as Borrower is a Ginnie Mae approved issuer; (y) upon the Borrower's loss of such approved issuer status, the Administrative

Agent and each additional Lender's rights to any Servicing Income related to a given mortgage pool also terminate; and (z) the pledge of the Borrower's rights to Servicing Income conveys no rights (such as a right to become a substitute servicer or issuer) that are not otherwise specifically provided for in the Ginnie Mae Contract, provided that this sentence shall automatically be deemed amended or modified if and to the extent Ginnie Mae amends the Ginnie Mae Contract, the Acknowledgment Agreement, if any, or published announcements and provided further that the security interest created hereby is subject to the following provision to be included in each financing statement filed in respect hereof:

Notwithstanding anything to the contrary set forth herein:

(a) The property subject to the security interest reflected in this instrument includes all of the right, title and interest of United Wholesale Mortgage, LLC ("Debtor") in certain mortgages and/or participation interests related to such mortgages ("Pooled Mortgages"), and pooled under the mortgage-backed securities program of the Government National Mortgage Association ("Ginnie Mae"), pursuant to section 306(g) of the National Housing Act, 12 U.S.C. § 1721(g);

(b) To the extent that the security interest reflected in this instrument relates in any way to the Pooled Mortgages, such security interest is subject and subordinate to all rights, powers and prerogatives of Ginnie Mae, whether now existing or hereafter arising, under and in connection with: (i) 12 U.S.C. § 1721(g) and any implementing regulations; (ii) the terms and conditions of that certain Acknowledgment Agreement, dated on or about March 20, 2023, with respect to the Security Interest, by and among Ginnie Mae, Debtor and Goldman Sachs Bank USA, as administrative agent; (iii) applicable Guaranty Agreements and contractual agreements between Ginnie Mae and the Debtor; and (iv) the Ginnie Mae Mortgage-Backed Securities Guide, Handbook 5500.3 Rev. 1, and other applicable guides (items (i), (iii) and (iv), collectively, the "Ginnie Mae Contract");

(c) Such rights, powers and prerogatives of Ginnie Mae include, but are not limited to, Ginnie Mae's right, by issuing a letter of extinguishment to Debtor, to effect and complete the extinguishment of all redemption, equitable, legal or other right, title or interest of the Debtor in the Pooled Mortgages, in which event the security interest as it relates in any way to the Pooled Mortgages shall instantly and automatically be extinguished as well; and

(d) For purposes of clarification, "subject and subordinate" in clause (b) above means, among other things, that any cash held by Goldman Sachs Bank USA as collateral and any cash proceeds received by Goldman Sachs Bank USA in respect of any sale or other disposition of, collection from, or other realization upon, all or any part of the collateral may only be applied by Goldman Sachs Bank USA to the extent that such proceeds have been received by, or for the account of, the Debtor free and clear of all Ginnie Mae rights and other restrictions on transfer under applicable Ginnie Mae guidelines; provided that this clause (d) shall not be interpreted as establishing rights in favor of Ginnie Mae except to the extent that such rights are reflected in, or arise under, the Ginnie Mae Contract.

### ARTICLE III

#### CONDITIONS OF LENDING AND CLOSING

Section 3.1 Conditions Precedent to Closing. The effectiveness of this Agreement and the obligations of the parties hereto are subject to the condition precedent that the Lenders shall have received or waived receipt of the following on or prior to the Closing Date (unless otherwise noted):

(a) Transaction Documents and other Closing Documents. Each of the Transaction Documents and the Acknowledgment Agreement shall be executed on or before the Closing Date, shall be in full force and effect and all consents, waivers and approvals necessary for the consummation of the transactions contemplated thereby shall have been obtained and shall be in full force and effect, and the Administrative Agent shall have received a duly executed counterpart thereof.

(b) Know Your Customer Information. The Administrative Agent shall have received (i) all documentation and other information required by regulatory authorities under applicable "Know Your Customer" and anti-money laundering rules and regulations, including the Patriot Act and (ii) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, any Lender that has requested, in a written notice to the Borrower at least five days prior to the Closing Date (or such shorter period as may be agreed by the Administrative Agent), a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

(c) Payment of Fees. On or prior to the Closing Date, the Borrower shall have paid all fees previously agreed in writing to be paid on or prior to the Closing Date.

(d) Evidence of Insurance. The Administrative Agent shall have received certification evidencing coverage under the insurance policies referred to in Section 5.1(r) and evidence that the Borrower has added Administrative Agent as loss payee on the fidelity bond and errors and omissions policies.

(e) Security Interest. Evidence that all other actions necessary or, in the opinion of Administrative Agent, desirable to perfect and protect Administrative Agent's interest in the Collateral have been taken.

(f) Collection Account. The Collection Account shall have been established with the Account Bank and the Administrative Agent shall have received from the Borrower a fully executed Account Control Agreement in form and substance satisfactory to the Administrative Agent.

(g) Organizational Documents. A certificate of the chief executive officer of the Borrower in form and substance acceptable to Administrative Agent certifying copies of the Borrower's certificate of formation, operating agreement and corporate resolutions approving the Transaction Documents and Transactions thereunder (either specifically or by general resolution), and all documents evidencing other necessary corporate action or governmental approvals as may be required in connection with the Transaction Documents.

(h) Good Standing Certificate. A certified copy of a good standing certificate or equivalent from the jurisdiction of organization of the Borrower, dated no earlier than the date ten (10) Business Days prior to the Closing Date.

(i) Incumbency Certificate. An incumbency certificate of the corporate secretary of the Borrower, certifying the names, true signatures and titles of the representatives duly authorized to request transactions hereunder and to execute the Transaction Documents.

(j) Due Diligence Review. The Administrative Agent shall have completed, to its satisfaction, its due diligence review of the Borrower, the Collateral, Ginnie Mae and such other matters as the Administrative Agent and the Lenders shall have determined in the exercise of their reasonable discretion are necessary and proper for the execution, delivery and performance under this Agreement and the other Transaction Documents.

(k) Legal Opinions. The Administrative Agent shall have received usual and customary legal opinions in form and substance satisfactory to Administrative Agent and its counsel (including, but not limited to, those regarding corporate matters, enforceability and security interest perfection).

Section 3.2 Conditions Precedent to All Advances. Without limiting each Lender's right to determine, in its sole and absolute discretion, whether to make any Advance, the making of each Advance (including the initial Advances hereunder) shall be subject, at the time thereof, to the satisfaction of the following conditions:



(a) Representations and Warranties. All of the representations and warranties of the Borrower contained in this Agreement and the other Transaction Documents shall be true and correct in all material respects (except to the extent (x) such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date and (y) any such representation or warranty is already qualified by materiality or material adverse effect, such representation or warranty shall be true and correct in all respects) with the same effect as though such representations and warranties had been made on and as of the date of such Advance.

(b) No Event of Default; No Potential Event of Default No Potential Event of Default or Event of Default has occurred and is continuing or would occur or be continuing immediately after giving effect to such Advance.

(c) No Borrowing Base Deficiency or Funding Base Deficiency No Borrowing Base Deficiency or Funding Base Deficiency shall exist immediately prior and after giving effect to such Transaction.

(d) Availability Period. The Availability Period shall not have terminated, nor shall it have terminated immediately after giving effect to such Advance.

(e) Notice of Borrowing. In accordance with Section 2.4, the Administrative Agent shall have received a properly completed Notice of Borrowing and a Borrowing Base Certificate, including a Schedule of Collateral from the Borrower.

(f) Requirements of Law. None of the Administrative Agent or any Lender shall have determined that the introduction of any Applicable Law or a Change in Law or in the interpretation or administration of any Applicable Law applicable to the Administrative Agent or such Lender has made it unlawful, and no Governmental Authority shall have asserted that it is unlawful, for the Administrative Agent or such Lender to make any Advance.

(g) No Material Adverse Change. Since the Closing Date, there has been no Material Adverse Change, as determined by the Administrative Agent, in its reasonable discretion.

(h) Fees. The Administrative Agent and each Lender shall have received payment in full of all fees and expenses which are due and payable hereunder to the Administrative Agent or such Lender on or before such date.

#### **ARTICLE IV**

##### **REPRESENTATIONS AND WARRANTIES**

Section 4.1 Representations and Warranties of the Borrower. The Borrower represents and warrants to the Administrative Agent and each Lender as of the Closing Date, as of each Borrowing Date and as of each Monthly Payment Date, as follows:

(a) Organization: Corporate Powers. The Borrower (i) is a duly organized and validly existing limited liability company, in good standing under the laws of the State of Michigan, (ii) has the corporate power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage, and (iii) is duly qualified, in good standing and is authorized to do business in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and would not be reasonably expected to have, a Material Adverse Effect.

(b) Authority and Enforceability. The Borrower has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Transaction Documents and the Acknowledgment Agreement and has taken all necessary company or other organizational action to authorize the execution, delivery and performance of the Transaction Documents and the Acknowledgment Agreement. The Borrower has duly executed and delivered each Transaction Document and the Acknowledgment Agreement and each Transaction Document and the Acknowledgment Agreement constitutes the legal, valid and binding agreement and obligation of it enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

(c) Equity Interests and Ownership. Schedule 4.1(c) correctly sets forth the ownership interest of the Borrower and each of its Subsidiaries in their respective Subsidiaries as of the Closing Date. Except as set forth on Schedule 4.1(c), as of the Closing Date, there is no existing option, warrant, call, right, commitment or other agreement to which the Borrower is a party requiring, and there is no membership interest or other Equity Interests of the Borrower outstanding which upon conversion, exchange or exercise would require, the issuance by the Borrower of any additional membership interests or other Equity Interests of the Borrower or other Securities convertible into or exchangeable or exercisable for or evidencing the right to subscribe for or purchase, a membership interest or other Equity Interests of the Borrower, and no Securities or obligations evidencing any such rights are authorized, issued or outstanding.

(d) No Conflict. The execution, delivery and performance by the Borrower of the Transaction Documents and the Acknowledgment Agreement and the consummation of the transactions contemplated by the Transaction Documents and the Acknowledgment Agreement do not and shall not (i) violate (w) any Applicable Law, (x) any of the organizational documents of the Borrower, (y) any order, judgment, injunction or decree of any court or other agency of government binding on the Borrower, or (ii) violate, result in a breach of or constitute (including with due notice or lapse of time or both) any indenture, loan agreement, warehouse line of credit, repurchase agreement, mortgage, deed of trust, servicing contract or any other material contractual obligation of the Borrower except to the extent such violation, breach or default would not reasonably be expected to have a Material Adverse Effect; (iii) result in or require the creation or imposition of any Lien upon any of the properties or assets of the Borrower (other than any Liens created under any of the Transaction Documents and the Acknowledgment

Agreement in favor of Ginnie Mae or the Administrative Agent on behalf of the Secured Parties); or (iv) require any approval of stockholders, members or partners or any approval or consent of any Person under any material contractual obligation of the Borrower, except for such approvals or consents which have been obtained on or before the Closing Date.

(e) Government Approvals. Except any which have been obtained, no order, consent, authorization, approval, license, or validation of, or filing recording, registration with, or exemption by, any Governmental Authority is required to authorize or is required as a condition to: (i) the execution, delivery and performance by the Borrower of any Transaction Document or the Acknowledgment Agreement or any of its obligations thereunder or (ii) the legality, validity, binding effect or enforceability of any Transaction Document or the Acknowledgment Agreement.

(f) Solvency. The Borrower is solvent and will not be rendered insolvent as a result of entering into any Transaction and, after giving effect to each Transaction, will not be left with an unreasonably small amount of capital with which to engage in its business. The Borrower does not intend to incur, nor believe that it has incurred, debts beyond its ability to pay such debts as they mature and is not contemplating, and is not aware of any Person threatening, the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of such entity or any of its assets. The Borrower is not selling and/or pledging any Ginnie Mae MSRs with any intent to hinder, delay or defraud any of its creditors.

(g) True and Complete Disclosure.

(i) All information, reports, exhibits, schedules, financial statements or certificates of the Borrower or any of its Affiliates furnished or to be furnished to the Administrative Agent in connection with the initial or any ongoing due diligence of the Borrower or any of its Affiliates, or the negotiation, preparation, or delivery of the Transaction Documents or the Acknowledgment Agreement, are true and complete in all material respects. The written information (other than financial projections, forward looking statements, and information of a general economic or industry specific nature) that has been made available to the Administrative Agent or any Lender by or on behalf of the Borrower or any of its Affiliates in connection with the Transactions hereunder, when taken as a whole, does not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in the light of the circumstances under which such statements are made; provided that with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time, it being understood that such projections as to future events are not to be viewed as facts and that actual financials during the period or periods covered by any such projections may differ from the projected results.

(ii) As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all respects.

(h) Financial Statements. The financial statements of the Borrower delivered to the Administrative Agent on or prior to the Closing Date fairly present in all material respects the assets, liabilities and financial position of the Borrower as at the dates of such financial statements, and the results of the operations and changes of financial position for the periods then ended (other than customary year-end adjustments for unaudited financial statements). For the avoidance of doubt, the financial statements described in the preceding sentence (the receipt of which is hereby acknowledged by the Administrative Agent) consist of copies of (i) each of the Borrower's balance sheets for the fiscal years ended December 31, 2021 and December 31, 2022 and the related statements of income, cash flows, and members' equity for the Borrower for such fiscal years, with the opinion thereon of Borrower's independent auditors and (ii) the Borrower's balance sheet for each month in calendar year 2023 and the related statement of income for the Borrower for such month. All such financial statements are complete and correct and fairly present, in all material respects, the financial condition of the Borrower and the results of its operations as at such dates and for such periods, all in accordance with GAAP (subject to the absence of footnotes for interim financial statements) applied on a consistent basis. Since the date of the most recent financial statements referenced above for the Borrower, there has been no Material Adverse Change in the consolidated business, operations or financial condition of the Borrower from that set forth in such financial statements nor is the Borrower aware of any state of facts which (with notice or the lapse of time) would or could result in any such Material Adverse Change. The Borrower had, on the date of the statements delivered pursuant to this clause (h) no material liabilities, direct or indirect, fixed or contingent, matured or unmatured, known or unknown, or material liabilities for taxes, leases or unusual forward or commitments not disclosed by, or reserved against in, said balance sheet and related statements, and at the present time there are no material unrealized or anticipated losses from any loans, advances or other commitments of the Borrower except as heretofore disclosed to the Administrative Agent in writing.

(i) Litigation. There is no action, proceeding or investigation pending involving the Borrower or any of its Subsidiaries or, to the best of its knowledge, threatened against the Borrower or any of its Subsidiaries before any Governmental Authority or Ginnie Mae (i) asserting the invalidity of this Agreement, any Transaction Document, the Acknowledgment Agreement or any transaction contemplated hereunder, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, any Transaction Document, the Acknowledgment Agreement or any transaction contemplated hereunder, (iii) making a claim individually or in the aggregate that would reasonably be expected to result in a Material Adverse Effect if adversely determined, (iv) which requires filing with the SEC in accordance with the Exchange Act or any rules thereunder or (v) which might materially and adversely affect the validity of Collateral, the Ginnie Mae Servicing Contract or the performance by it of its

obligations under, or the validity or enforceability of, this Agreement, any Transaction Document, the Acknowledgment Agreement or any Transaction contemplated hereunder.

(j) Use of Proceeds. The Borrower will only use the proceeds of any Advance as permitted under Section 2.3. No part of the proceeds of any Advance will be used directly or indirectly to purchase or carry Margin Stock, or to extend credit to others for the purpose of purchasing or carrying any Margin Stock, in violation of any of the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. At no time would more than [\*\*\*] of the value of the assets of the Borrower that are subject to any "arrangement" (as such term is used in Section 221.2(g) of such Regulation U) hereunder be represented by Margin Stock. The Borrower shall not use the proceeds of any Transaction to purchase any asset or securities from, or otherwise transfer the proceeds of the Transaction to, an "affiliate" of any Lender, as such term is defined in 12 C.F.R. Part 223.

(k) Accounts. The name and address of the Account Bank, together with the account number of the Collection Account and the Borrower's Account is specified on Schedule I to the Agency Fee Letter, as updated pursuant to Section 8.1. Borrower will keep the Collection Account and the Borrower's Account segregated and such accounts will not be commingled.

(l) ERISA. Except as would not reasonably be expected to result in a Material Adverse Effect, no ERISA Event has occurred or is reasonably expected to occur. The Borrower is not (i) an employee benefit plan as defined in Section 3 of Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code or a "governmental plan" within the meaning of Section 3(32) of ERISA, (ii) subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans or (iii) holding assets that constitute "plan assets" within the meaning of 29 C.F.R. Section 2510.3-101, as modified in application by Section 3(42) of ERISA.

(m) The Servicing Contracts. To the extent permitted by Ginnie Mae, the Borrower has delivered to the Administrative Agent a copy of the Ginnie Mae Servicing Contract (subject to redaction of certain provisions to the extent required by confidentiality restrictions), the Acknowledgment Agreement, all amendments, restatements, supplements or other modifications thereto, waivers relating thereto and other side letters or agreements affecting the terms thereof and all agreements and other material documents relating thereto, and the Borrower hereby certifies that the copies delivered to the Administrative Agent by the Borrower is true, correct and complete. No such documents have been amended, restated, supplemented or otherwise modified (including by way of waivers or forbearance), except by written instruments, copies of which have been delivered to the Administrative Agent. Each such document to which the Borrower is a party has been duly executed and delivered by the Borrower and is in full force and effect, and no default or event of default (howsoever defined) has occurred and is continuing thereunder, except where the occurrence and continuance of such default or event of default would not reasonably be expected to result in a Material Adverse Effect.

(n) Forms of Servicing Contract. The Ginnie Mae Servicing Contract has been executed on the Ginnie Mae's standard forms, which incorporates the Ginnie Mae Agency Guide with no amendment to such Ginnie Mae Servicing Contract that would grant Ginnie Mae additional or more favorable rights to terminate the servicer from those rights specified in the Ginnie Mae Agency Guide.

(o) Taxes. The Borrower has duly and timely filed or caused to be duly and timely filed all federal, state, provincial, territorial, foreign and other tax returns and reports required to be filed under Applicable Law, and has timely paid all federal, state, provincial, territorial, foreign and other Taxes levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate actions diligently conducted and for which adequate reserves have been provided in accordance with GAAP. No tax lien or similar adverse claim has been filed, and no claim is being asserted, with respect to any such Tax.

(p) Agreements. The Borrower is not a party to any agreement, instrument, or indenture or subject to any restriction materially and adversely affecting its business, operations, assets or financial condition, except as disclosed in the financial statements described in Section 4.1(h). The Borrower is not in breach or default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement, instrument, or indenture which default could have a Material Adverse Effect. There are no breaches or defaults under the Transaction Documents, the Acknowledgment Agreement or the Ginnie Mae Servicing Contract. No holder of any indebtedness of the Borrower has given notice of any asserted default thereunder.

(q) Other Indebtedness. All Indebtedness (other than Indebtedness evidenced by this Agreement) of Borrower existing on the Closing Date is as described in Schedule 4.1(q).

(r) No Material Adverse Effect. Since December 31, 2022, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

(s) Investment Company Act. The Borrower is not required to register as an "investment company" within the meaning of the 1940 Act. The Borrower is relying on Section 3(c)(5)(c) or Section 3(c)(6) as the exemption from the definition of "investment company" of the 1940 Act.

(t) Covered Fund. The Borrower is not a "covered fund" under Section 13 of the Bank Holding Company Act of 1956, as amended.

(u) Properties; Security Interest. The Borrower has good title to, valid leasehold interests in, or valid licenses to use, all of its properties and assets necessary in the ordinary conduct of its business, including all of the Collateral, and the Collateral is free and clear of Liens other than Permitted Liens. Once executed and delivered, this Agreement creates, as security for the Obligations, a valid and enforceable security interest in and Lien on all of the

Collateral, in favor of the Administrative Agent, for the benefit of the Secured Parties, except that the Collateral may be subject to the Ginnie Mae Requirements.

(v) Environmental Matters. None of the Borrower, any of its Subsidiaries, nor any of their respective facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials activity that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary has received any letter or request for information under Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9604) or any comparable state law. To the Borrower's knowledge, there are and have been no conditions, occurrences, or Hazardous Materials activities which would reasonably be expected to form the basis of an Environmental Claim against the Borrower or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither the Borrower, or to its knowledge, any of its Subsidiaries or any of their respective predecessors, have filed any notice under any Environmental Law indicating past or present treatment of Hazardous Materials at any Mortgaged Property, and none of the Borrower's or any of its Subsidiaries' operations involves the generation, transportation, treatment, storage or disposal of hazardous waste, as defined under 40 C.F.R. Parts 260-270 or any state equivalent. Compliance with all current or reasonably foreseeable future requirements pursuant to or under Environmental Laws could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. To the Borrower's knowledge, no event or condition has occurred or is occurring with respect to the Borrower or any of its Subsidiaries relating to any Environmental Law, any release of Hazardous Materials or any Hazardous Materials activity which individually or in the aggregate has had, or would reasonably be expected to have, a Material Adverse Effect. No Lien imposed pursuant to any Environmental Law has attached to any Collateral and, to the knowledge of the Borrower, no conditions exist that would reasonably be expected to result in the imposition of such a Lien on any Collateral.

(w) OFAC and PATRIOT Act. None of the Borrower, any of its Subsidiaries, nor any of their officers, directors or employees appears on the Specially Designated Nationals and Blocked Persons List published by the Office of Foreign Assets Control ("**OFAC**") or is otherwise a person with which any U.S. person is prohibited from dealing under the laws of the United States, unless authorized by OFAC. Neither the Borrower nor any of its Subsidiaries conducts business or complete transactions with the governments of, or persons within, any country under economic sanctions administered and enforced by OFAC. Neither the Borrower nor any of its Subsidiaries will directly or indirectly use the proceeds from this Agreement, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person to fund any activities of or business with any person that, at the time of such funding, is the subject of economic sanctions administered or enforced by OFAC, or is in any country or territory that, at the time of such funding or facilitation, is the subject of economic sanctions administered or enforced by OFAC. Neither the Borrower nor any of its Subsidiaries is in violation of Executive Order No. 13224 or the PATRIOT Act.

(x) Foreign Corrupt Practices Act. None of the Borrower, any of its Subsidiaries, or any director, officer, agent or employee of the Borrower, has used any of the proceeds of any Advance (i) for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) to make any direct or indirect unlawful payment to any government official or employee from corporate funds, (iii) to violate any provision of the U.S. Foreign Corrupt Practices Act of 1977 or similar law of a jurisdiction in which the Borrower or any Subsidiary conducts its business and to which they are lawfully subject or (iv) to make any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(y) Servicing Contract. The Ginnie Mae Servicing Contract is in full force and effect, and Borrower has not been terminated as the servicer under the Ginnie Mae Servicing Contract.

(z) Risk Management Policy. The Borrower has duly adopted, in accordance with its internal risk policies, a risk management policy, which is in full force and effect. A copy of such risk management policy has been previously delivered to Administrative Agent (for distribution to Lenders), and certified by a Responsible Officer of the Borrower as being a true and correct copy in full force and effect.

(aa) Agency Approvals; Servicing Facilities. The Borrower has adequate financial standing, facilities, procedures and experienced personnel necessary for the prudent oversight of subservicers to ensure the sound servicing of mortgage loans of the same types as may from time to time constitute Ginnie Mae Mortgage Loans and in accordance with Accepted Servicing Practices. The Borrower is approved by Ginnie Mae as an approved issuer, and, to the extent necessary, approved by the Secretary of HUD pursuant to Sections 203 and 211 of the National Housing Act, as amended. In each such case, the Borrower is in good standing, with no event having occurred, including a change in insurance coverage which would either make the Borrower unable to comply with the eligibility requirements for maintaining all such applicable approvals or require notification to Ginnie Mae or to HUD, FHA or VA. Should the Borrower for any reason cease to possess all such applicable approvals, or should notification to Ginnie Mae or to HUD, FHA or VA be required, the Borrower shall immediately notify Administrative Agent immediately in writing.

(ab) Representations Concerning the Collateral. The Borrower has not assigned, pledged, conveyed, or encumbered any Collateral hereunder to any other Person (except to the extent any such pledge has been released prior to the grant of any security interest thereon hereunder), and the Borrower is the sole owner of such Collateral and has good and marketable title thereto, free and clear of all Liens other than (x) Permitted Liens and (y) any rights retained by Ginnie Mae pursuant to the Ginnie Mae Requirements.

(i) All information concerning all Collateral set forth on the Schedule of Collateral were, are or will be (as applicable) pledged to the Administrative Agent, for the benefit of the Secured Parties will be complete and correct in all material respects as of the date of such Schedule of Collateral.



(ii) (x) Upon the filing of financing statements on Form UCC-1 naming the Administrative Agent as "Secured Party" and the Borrower (as applicable) as "Debtor", and describing the Collateral, in the appropriate jurisdictions, the Administrative Agent, for the benefit of the Secured Parties, will have a duly perfected first priority security interest under the UCC in all right, title, and interest of the Borrower in, to and under, subject, in all cases, to the Ginnie Mae Requirements, the Collateral to the extent a security interest therein can be perfected by a UCC filing and (y) upon the execution and delivery of the Account Control Agreement, the Administrative Agent, for the benefit of the Secured Parties will have a duly perfected security interest under the UCC in all right, title and interest of the Borrower in, to and under the Collection Account.

(iii) All filings and other actions necessary to perfect the security interest in the Collateral created under this Agreement under the UCC have been duly made or taken and are in full force and effect.

(iv) Subject only to the Ginnie Mae Requirements, the Borrower has the full right, power and authority to pledge the Collateral.

(ac) Affected Financial Institutions. The Borrower is not an Affected Financial Institution.

(ad) Plan Assets; Prohibited Transactions. Neither the Borrower or any of its Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Advance, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

## ARTICLE V

### COVENANTS

Section 5.1 Affirmative Covenants. The Borrower covenants and agrees that, until Payment in Full:

(a) Financial Covenants. The Borrower shall maintain the Financial Covenants.

(b) Reporting Requirements. The Borrower will furnish to the Administrative Agent for delivery to each Lender:

(i) within (A) 95 days after the close of each fiscal year of the Borrower, the unqualified audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, of members' equity (which shall be on a consolidated basis and there shall be no consolidating statements of members' equity required hereunder) and of cash flows for such fiscal year (which shall be on a consolidated basis and there shall be no

consolidating statements of cash flows required hereunder), in each case, setting forth comparative figures for the preceding fiscal year, prepared in accordance with GAAP by a Nationally Recognized Accounting Firm and (B) 30 days after the end of each of calendar month, the unaudited consolidated balance sheets and income statements for such month on a year-to-date basis for the Borrower and its consolidated subsidiaries;

(ii) promptly, on a quarterly basis, copies of any financial projections prepared by or on behalf of the Borrower and approved by its board of directors;

(iii) at the time of delivery of the financial statements described pursuant to ~~clause (i)~~, the Borrower shall deliver to the Administrative Agent a Compliance Certificate that (x) attaches an updated Schedule of Collateral as of the preceding month or date of such Advance and (y) certifies that the representations and warranties set forth in Section 4.1 are true and correct on and as of the date of such certification; provided that, with the consent of the Administrative Agent not to be unreasonably withheld the Borrower may, but shall not be obligated to, deliver to the Administrative Agent updated versions of the Schedule of Collateral on a more frequent basis if it chooses to do so; and

(iv) promptly following any request therefor, (x) such other information regarding the operations, changes in ownership of Equity Interests, business affairs and financial condition of the Borrower, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender (through Administrative Agent) may reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation.

(c) Servicing Contract Amendments. Within five Business Days after a Responsible Officer of the Borrower becomes aware of an amendment to the Ginnie Mae Servicing Contract, to the extent permitted by Ginnie Mae, the Borrower shall deliver to the Administrative Agent for delivery to each Lender copies of any such amendments; provided that the Borrower shall cooperate with any requests by the Administrative Agent to deliver copies of each amendment, restatement, supplement or other modification to the Ginnie Mae Servicing Contract that the Administrative Agent shall reasonably request, to the extent permitted by Ginnie Mae.

(d) Change in Responsible Officer. Promptly, but in any event within two (2) Business Days after Mat Ishbia (or any successor thereto) shall no longer be the chief executive officer, the Borrower shall notify the Administrative Agent thereof.

(e) Notice of Default. Promptly (but in any event within [\*\*]) upon a Responsible Officer of the Borrower obtaining knowledge (i) of any condition or event that constitutes an Event of Default or that notice has been given to the Borrower with respect thereto; (ii) of any condition or event that constitutes an "event of default" under any Indebtedness or that notice has been given to any party thereunder with respect thereto; (iii) of the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be

expected have a Material Adverse Effect or (iv) of the occurrence of any event or change that has results in or could reasonably be expected to result in a Material Adverse Effect, the Borrower shall deliver to the Administrative Agent a certificate of a Responsible Officer specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by the Borrower and the nature of such claimed Event of Default, event or condition, ERISA Event or Material Adverse Effect and what action the Borrower has taken, is taking and proposes to take with respect thereto.

(f) Maintenance of List of Collateral. The Borrower shall at all times maintain a current list (which may be stored in electronic form) of all Ginnie Mae MSRs.

(g) Records. The Borrower shall collect and maintain or cause to be collected and maintained all Records relating to the Ginnie Mae MSRs in accordance with industry custom and practice for assets similar to the Ginnie Mae MSRs, including those maintained pursuant to Section 5.1(h), and all such Records shall be in the Borrower's possession or the possession of an Approved Subservicer unless otherwise consented to in writing by the Administrative Agent. The Borrower will not allow any such papers, records or files that are an original or an only copy to leave the Borrower's or Approved Subservicer's possession, unless the Administrative Agent otherwise approves. The Borrower will maintain all such Records in good and complete condition in accordance with industry practices for assets similar to the Ginnie Mae MSRs and preserve them against loss.

(i) For so long as the Administrative Agent has an interest in or lien on any Ginnie Mae MSRs, the Borrower shall hold or cause to be held (by Approved Subservicers or otherwise) all related Records in trust for the Administrative Agent. The Borrower shall notify, or cause to be notified, every other party holding any such Records of the interests and liens in favor of Administrative Agent granted hereby.

(ii) Upon reasonable advance notice from the Administrative Agent, the Borrower shall (x) or shall cause Approved Subservicers to make any and all such Records available to the Administrative Agent to examine any such Records, either by its own officers or employees, or by agents or contractors, or both, and make copies of all or any portion thereof, and (y) permit the Administrative Agent or its authorized agents to discuss the affairs, finances and accounts of the Borrower with its chief operating officer, chief financial officer and the independent certified public accountants of the Borrower.

(h) Books. The Borrower shall keep or cause to be kept in reasonable detail books and records of account of its assets and business.

(i) UCC Matters: Protection and Perfection of Security Interests. The Borrower shall promptly notify the Administrative Agent in writing of any change (i) in its legal name, (ii) in its identity or type of organization or corporate structure or (iii) in the jurisdiction of its organization, in each case, within ten (10) days of such change. The Borrower agrees that from time to time, at the Borrower's cost and expense, to promptly execute and deliver all further instruments and documents, and take all further action reasonably required by the Administrative

Agent (a) to perfect, protect or more fully evidence the Administrative Agent's security interest in the Collateral acquired by the Borrower or (b) to enable the Administrative Agent to exercise or enforce any of its rights hereunder, under any other Transaction Document or the Acknowledgment Agreement. Without limiting the Borrower's obligation to do so, the Borrower hereby irrevocably authorizes the filing of such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as the Administrative Agent may reasonably require. The Borrower hereby authorizes the Administrative Agent to file one or more financing or continuation statements, and amendments thereto and assignments thereof, naming the Borrower as debtor, relative to all or any of the Collateral now existing or hereafter arising without the signature of the Borrower where permitted by law. A carbon, photographic or other reproduction of this Agreement, or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement.

(j) Access to Certain Documentation and Information Regarding the Collateral. The Borrower shall permit the Administrative Agent or its duly authorized representatives or independent contractors, upon reasonable advance notice to the Borrower, as applicable, and subject to all applicable Ginnie Mae procedures and restrictions, (i) access to documentation that the Borrower may possess regarding the Eligible MSR Collateral, (ii) to visit the Borrower, and to discuss its affairs, finances and accounts (as they relate to their respective obligations under this Agreement and the other Transaction Documents) with the Borrower, its officers and independent accountants (subject to such accountants' customary policies and procedures) and (iii) to examine the books of account and records of the Borrower, as they relate to the Ginnie Mae MSRs, to make copies thereof or extracts therefrom, all at such reasonable times and during regular business hours of the Borrower (as applicable). The Administrative Agent may perform the functions set forth above no more than once per year for the Borrower, or at any time following (x) an Event of Default or (y) following delivery by the Servicing Diligence Agent to the Administrative Agent of notice that any material adverse effect with respect to the Portfolio is reasonably likely to occur, in either case, at the Administrative Agent's determination, and under any circumstance, at the cost and expense of the Borrower. Such representatives or independent contractors shall use commercially reasonable efforts to avoid interruption of the normal business operations of the Borrower. Notwithstanding anything to the contrary in this Section 5.1(j), (A) the Borrower will not be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (x) constitutes non-financial trade secrets or nonfinancial proprietary information, (y) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding confidentiality agreement or (z) is subject to attorney-client or similar privilege or constitutes attorney work product and (B) so long as an Event of Default has not occurred, the Borrower shall have the opportunity to participate in any discussions with the Borrower's independent accountants.

(k) Existence and Rights; Compliance with Laws; Agency Approvals. The Borrower shall preserve and keep in full force and effect its limited liability company existence, and any material rights, permits, patents, franchises, licenses, approvals and qualifications required for it

to conduct its business activities. The Borrower shall comply with all Applicable Laws except to the extent that the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect. The Borrower shall maintain its status with Ginnie Mae as an approved seller/servicer, and shall be in good standing with Ginnie Mae in accordance with Applicable Law and all rules, policies, procedures and standards of Ginnie Mae (collectively, "**Agency Approvals**"). The Borrower shall service all Ginnie Mae MSRs in accordance with the Ginnie Mae Agency Guide in all material respects. Should the Borrower, (A) receive written notice of any default or notice of termination of servicing for cause under the Ginnie Mae Servicing Contract, or (B) for any reason, cease to possess all such applicable Agency Approvals, or should notification to Ginnie Mae or to HUD, FHA or VA as described in Section 4.1(aa) be required, the Borrower shall so notify Administrative Agent in writing within three (3) Business Days. Notwithstanding the preceding sentence, the Borrower shall take all necessary action to maintain all of its applicable Agency Approvals at all times during the term of this Agreement.

(l) Taxes. The Borrower shall and shall cause each of its Subsidiaries to duly and timely file or cause to be duly and timely filed, all federal, state, provincial, territorial, foreign and other income Tax returns and all other material tax returns required to be filed under Applicable Law, and shall pay when due all Taxes imposed upon it or any of its respective properties or which it is required to withhold and pay over, and provide evidence of such payment to the Administrative Agent if requested; provided that neither the Borrower nor any Subsidiary shall be required to pay any such Tax that is being contested in good faith by proper actions diligently conducted if (i) it has maintained adequate reserves with respect thereto in accordance with GAAP and (ii) in the case of a Tax that has or may become a Lien that is not a Lien permitted hereunder against any of the Collateral, such proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax.

(m) Maintenance of Properties. The Borrower shall ensure that its material properties and equipment used or useful in its business in whosoever's possession they may be, are kept in reasonably good repair, working order and condition, normal wear and tear excepted, and that from time to time there are made in such properties and equipment all needful and proper repairs, renewals, replacements, extensions, additions, betterments and improvements thereto, in each case, to the extent and in the manner customary for companies in similar businesses.

(n) Trigger Event Asset Sale. The Borrower shall, within [\*\*\*] notify the Administrative Agent in the event that it has voluntarily relinquished or delivered notice of its intent to sell or transfer Ginnie Mae Servicing Contract rights constituting more than [\*\*\*] of the aggregate Ginnie Mae Servicing Contract rights of the Borrower with respect to Ginnie Mae, in each case without the Administrative Agent's prior express written consent.

(o) Termination of Servicing Notice. The Borrower shall give notice to the Administrative Agent promptly but not later than [\*\*\*] after receipt of notice or knowledge by a Responsible Officer of (i) any default, notice of termination of servicing for cause or notice of any other matter materially and adversely affecting the Ginnie Mae MSRs under the Ginnie Mae Servicing Contract or other servicing contract regardless of whether such agreement or the rights

thereunder constitute "Ginnie Mae MSRs" hereunder or (ii) any resignation of servicing, termination of servicing or notice of resignation of or termination of servicing, under the Ginnie Mae Servicing Contract or other servicing contract regardless of whether such agreement or the rights thereunder constitute "Ginnie Mae MSRs" hereunder, or of Borrower's inability to comply with the eligibility requirements for maintaining all applicable approvals to HUD, FHA, or VA.

(p) Servicing. The Borrower shall maintain adequate financial standing, facilities, procedures and experienced personnel necessary for the prudent oversight of subservicers to ensure the sound servicing of mortgage loans of the same types as may from time to time constitute Ginnie Mae Mortgage Loans and in accordance, in all material respects, with Accepted Servicing Practices and the terms of the Ginnie Mae Servicing Contract.

(q) Quality Control. Borrower shall maintain an internal quality control program that tests, on a regular basis, the existence and accuracy of legal documents, credit documents, property appraisals, and underwriting decisions related to the origination, underwriting and servicing of the Ginnie Mae Mortgage Loans. Such program shall seek to evaluate and monitor the overall quality of the Borrower's underwriting and servicing activities. Such program shall guard against (i) dishonest, fraudulent, or negligent acts; and (ii) errors and omissions by officers, employees, or other authorized persons.

(r) Insurance. The Borrower shall maintain or cause to be maintained, at its own expense, insurance coverage as is customary, reasonable and prudent in light of the size and nature of the Borrower's and its Subsidiaries' business as of any date after the Closing Date. The Borrower shall be deemed to have complied with this provision if one of its Affiliates has such policy coverage and, by the terms of any such policies, the coverage afforded thereunder extends to the Borrower. Upon the request of the Administrative Agent at any time subsequent to the Closing Date, the Borrower shall cause to be delivered to the Administrative Agent, a certification evidencing the Borrower's coverage under any such policies.

(s) Monthly Report. No later than the [\*\*\*] prior to each Monthly Payment Date, the Borrower shall deliver to the Administrative Agent (and promptly at the written request of Ginnie Mae, to Ginnie Mae) a report in form and substance satisfactory to the Administrative Agent (the "**Monthly Report**") which shall contain details and schedules agreed upon by the Borrower and the Administrative Agent prior to the Closing Date (as may be amended from time to time by the Borrower and the Administrative Agent).

(t) Hedging Policy. The Borrower has implemented an interest rate hedging policy for the purpose of evaluating when it may be appropriate to implement a hedging strategy which would seek to provide providing protection against fluctuations in interest rates and the Borrower will maintain such hedging policy during the term of this Agreement.

(u) Subservicing. (i) The Borrower will enforce each Approved Subservicing Agreement in accordance with the terms thereof and keep such Approved Subservicing Agreement in full force and effect. The Borrower shall perform its obligations under each

Approved Subservicing Agreement and shall not default under such Approved Subservicing Agreement.

(ii) The Borrower shall promptly provide to the Administrative Agent copies of any material notice delivered or received under any Approved Subservicing Agreement, including notice of the occurrence of any event of default under or breach of such Approved Subservicing Agreement. The Borrower will promptly deliver to the Administrative Agent a copy of every supplement, amendment, restatement, modification or waiver of any Approved Subservicing Agreements promptly (and in no event later than [\*\*\*]) after the same shall become effective.

(iii) The Borrower shall not, without the prior written consent of the Administrative Agent, which shall not be unreasonably withheld or delayed: (i) cancel or terminate any Approved Subservicing Agreement (other than as required by Ginnie Mae); or (ii) supplement, amend, restate, modify or waive of any term or condition any Approved Subservicing Agreement (other than as required by Ginnie Mae) that could not reasonably be expected to (x) result in an increase in the subservicing fees payable to such Approved Subservicer in an aggregate cumulative amount of [\*\*\*] or more during the term of this Agreement or (y) be adverse to the Administrative Agent or any Lender. Notwithstanding the foregoing, the Borrower may terminate any Approved Subservicer with respect to any or all of the Ginnie Mae Mortgage Loans or transfer subservicing from any Approved Subservicer with respect to any or all of the Ginnie Mae Mortgage Loans subserviced by such Approved Subservicer without the consent of the Administrative Agent provided that such subservicing is transferred to another Approved Subservicer under an Approved Subservicing Agreement.

(iv) The Borrower shall not waive any default under, or breach of, any Approved Subservicing Agreement in a manner that is adverse to the Administrative Agent or any Lender. During the existence of an event of default or servicer termination event (however defined) under any Subservicing Agreement, the Borrower may, with the consent of the Administrative Agent (which shall not be unreasonably withheld or delayed), and at the direction of the Administrative Agent, shall, in any case subject to the terms of the Acknowledgment Agreement and Ginnie Mae Servicing Contract, terminate such subservicer as a servicer of Ginnie Mae Mortgage Loans in accordance with such Subservicing Agreement and transfer such servicing to another Approved Subservicer. The Borrower shall be responsible for any costs and expenses of such termination.

Section 5.2 Negative Covenants. The Borrower covenants and agrees that, until Payment in Full:

(a) Liens. The Borrower shall not create or suffer to exist any Lien upon or with respect to, the Collateral other than any Lien on Collateral that constitutes a Permitted Lien.

(b) Dividends, Etc. The Borrower shall not declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any of the Borrower's Equity Interests, or purchase, redeem or otherwise acquire for value any of its Equity Interests or any rights or options to acquire any such interest, (i) if any Potential Event of

Default or Event of Default exists or will exist after giving effect thereto or (ii) if after giving effect thereto, the Borrower would not be in compliance with the Financial Covenants on a pro forma basis.

(c) Prohibition of Fundamental Changes. The Borrower shall not (i) merge or consolidate or amalgamate, or Divide, liquidate, wind up or dissolve itself (or suffer any liquidation, winding up or dissolution) unless (x) such merger, consolidation or amalgamation does not result in a Change of Control or (y) the Borrower (as applicable) is the sole surviving entity of such merger, consolidation or amalgamation, or (ii) sell all or substantially all of its assets.

(d) Material Change in Business. The Borrower shall not make any material change in the nature of its business as carried on at the Closing Date and business activities that are reasonably related, ancillary or complementary thereto or reasonable developments or extensions thereof.

(e) Change in Organizational Documents. The Borrower shall not amend, modify or otherwise change any of its organizational documents in any respect that could be materially adverse to the Administrative Agent or the Lenders or could have a Material Adverse Effect; provided that, the Borrower shall deliver written notice to the Administrative Agent within ten (10) days of any material amendment to its organizational documents.

(f) Transactions with Affiliates. The Borrower shall not enter into, or be a party to, any transaction with any of its Affiliates, except (i) the transactions contemplated by the Transaction Documents, (ii) any other transactions (including the lease of office space or computer equipment or software by the Borrower from an Affiliate and the sharing of employees and employee resources and benefits) (w) in the ordinary course of business or as otherwise permitted hereunder, (x) pursuant to the reasonable requirements and purposes of the Borrower's business, (y) upon fair and reasonable terms (and, to the extent material, pursuant to written agreements) that are consistent with market terms for any such transaction and (z) permitted by Sections 5.2(a), (b), (c) or (d), (iii) employment and severance arrangements and health, disability and similar insurance or benefit plans between the Borrower and their respective directors, officers, employees in the ordinary course of business and (iv) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers and employees of the Borrower to the extent attributable to the ownership or operation of the Borrower.

(g) Sale and Lease-Backs. The Borrower shall not enter into any arrangement, directly or indirectly, with any Person whereby the Borrower shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred if any Potential Event of Default or Event of Default exists or will exist after giving effect thereto (including that no Borrowing Base Deficiency or Funding Base Deficiency shall have occurred and be continuing at such time).



(h) Amendments to Transaction Documents. The Borrower shall not amend, modify, supplement or otherwise change, waive or grant any consent in respect of any of the terms or provisions of any Transaction Document or the Acknowledgment Agreement other than amendments, modifications, supplements or other changes made in accordance with the terms of the applicable Transaction Document or the Acknowledgment Agreement.

(i) Fiscal Year. The Borrower shall not change its fiscal year-end from December 31 or change its method of determining fiscal quarters.

(j) Collection Account. The Borrower shall not (i) close the Collection Account, (ii) permit any property that is not Collateral to be deposited in the Collection Account, or (iii) after the end of the Availability Period, or the occurrence and during the continuation of an Event of Default, (A) permit any Collections or other amounts received with respect to the Ginnie Mae MSR to be deposited into an account other than the Collection Account free and clear of all Ginnie Mae rights and other restrictions on transfer under the Ginnie Mae guidelines or (B) withdraw funds from the Collection Account for any purpose without the Administrative Agent's consent. Notwithstanding the foregoing, after the end of the Availability Period and after the occurrence and during the continuation of an Event of Default, the Borrower will not be required to deposit all or any portion of the Base Servicing Fee into the Collection Account.

(k) Assignments. The Borrower shall not sell, assign, transfer or otherwise Dispose of, any of the Ginnie Mae MSR or any interest therein, other than Dispositions of the Ginnie Mae MSR (i) resulting from the payoff of the related Ginnie Mae Mortgage Loans, (ii) as required by Ginnie Mae, or (iii) in accordance with the Transaction Documents and the Acknowledgment Agreement.

Notwithstanding the foregoing, the Borrower shall have the right to sell, assign or otherwise transfer to any Person (A) any and all Ginnie Mae Mortgage Loans on a "servicing-released" basis and after giving effect thereto (x) the servicing rights related thereto shall not be Ginnie Mae MSR, and (y) the servicing and other rights related thereto shall in no event be included as Collateral or in a Portfolio or be subject to the Liens of the Administrative Agent; (B) the servicing rights related to any and all Ginnie Mae Mortgage Loans (and the servicing rights thereto shall not be Ginnie Mae MSR and shall in no event be included as Collateral or be subject to the Liens of the Administrative Agent), to the extent such transaction is a voluntary partial cancellation of the Ginnie Mae Servicing Contract pertaining to delinquent Ginnie Mae Mortgage Loans; and (C) Ginnie Mae MSR, so long as, in each case (x) no Borrowing Base Deficiency, Potential Event of Default or Event of Default then exists or would exist after giving pro forma effect thereto and (y) the net cash proceeds thereof are first applied to prepay the Advances in accordance with Section 2.10; provided that (1) such Disposition is for fair market value, (2) such Disposition is on terms that are no less favorable to the Borrower than would be obtained in a comparable arm's length transaction with a bona fide third party and (3) a Responsible Officer of the Borrower shall certify that the foregoing conditions described in clauses (1) and (2) shall be satisfied after giving effect to such conveyance, together with a pro forma Borrowing Base Certificate giving effect to such sale.

(l) Investments. The Borrower shall not enter into any new Investments in the event that (i) a Borrowing Base Deficiency has occurred and is continuing or (ii) a Potential Event of Default or an Event of Default has occurred and is continuing would occur after giving effect to such new Investment.

(m) Modification of the Servicing Contract. Unless required by Ginnie Mae or to the extent necessary to maintain Agency Approvals, the Borrower shall not consent with respect to the Ginnie Mae Servicing Contract related to any Ginnie Mae MSRs to amend, modify, waive any provision of or otherwise change the Ginnie Mae Servicing Contract or enter into any new Ginnie Mae Servicing Contract related to any Ginnie Mae MSRs, except any such amendments, modifications, waivers or changes or any such new agreements or arrangements that could not reasonably be expected, individually or in the aggregate, to materially and adversely affect the Collateral or the Administrative Agent's interest therein or result in a Material Adverse Effect.

(n) No Subservicing. The Borrower shall not permit any of the Ginnie Mae MSRs to be subject to any servicing contract or subservicing arrangement, unless such contract or arrangement is (i) permitted by the Ginnie Mae Servicing Contract, (ii) with an Approved Subservicer pursuant to an Approved Subservicing Agreement and (iii) has been consented to in writing by the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed).

(o) Negative Pledge on Servicing Receivables. The Borrower shall not enter into any Servicing Advance Facility with respect to any Servicing Receivables related to Ginnie Mae Mortgage Loans, or grant or permit to exist any Lien upon any Servicing Receivables related to Ginnie Mae Mortgage Loans.

## ARTICLE VI

### EVENTS OF DEFAULT

Section 6.1 Events of Default. The occurrence of any of the following specified events shall constitute an event of default under this Agreement, subject to any applicable grace periods set forth in this Section (each, an "Event of Default"):

(a) Non-Payment. The Borrower shall fail to (i) make any required payment of principal, interest or Fee when due hereunder and such failure remains unremedied for a period of [\*\*\*] after the earlier of (x) written notice of such failure shall have been given to the Borrower by the Administrative Agent or any Lender or (y) the date upon which a Responsible Officer of the Borrower obtained actual knowledge of such failure or (ii) make any required payment of any other fee or other amount payable hereunder or under any other Transaction Document when due and such failure remains unremedied for a period of [\*\*\*] after the earlier of (x) written notice of such failure shall have been given to the Borrower by the Administrative Agent or any Lender or (y) the date upon which a Responsible Officer of the Borrower obtained actual knowledge of such failure.

(b) Representations. Any representation or warranty made or deemed made by any of the Borrower herein or in any other Transaction Document or the Acknowledgment Agreement (after giving effect to any qualification as to materiality set forth therein, if any) shall prove to have been false and misleading when made or any Monthly Report or Compliance Certificate delivered hereunder shall prove to have been false and misleading in any material respect when made (other than the representations and warranties set forth in Section 4.1(bb) which shall be considered solely for the purpose of determining the Administrative Agent MSR Value of the Eligible MSR Collateral, unless the Borrower shall have made any such representations and warranties with knowledge that they were materially false or misleading at the time made); provided that the failure of any representation or warranty to be true when made will not constitute an Event of Default if (i) such failure is capable of being cured, (ii) such representation, warranty or statement was not known to be untrue when made, (iii) the events or circumstances giving rise to such misrepresentation are altered so as to make such representation, warranty or statement true by the date that is thirty (30) or more days after the date on which a Responsible Officer of the Borrower obtains notice or knowledge thereof and (iv) such failure has not had and would not be reasonably be expected to have during such period a Material Adverse Effect.

(c) Covenants. (i) The Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.1(a), 5.1(e), 5.1(k) (with respect to the existence of the Borrower) or Section 5.2 or (ii) except as set forth in clause (i), the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or in any other Transaction Document or the Acknowledgment Agreement, and, such failure shall continue unremedied for thirty (30) days after the earlier of (x) a written notice of such failure shall have been given to the Borrower by the Administrative Agent or any Lender or (y) the date upon which a Responsible Officer of the Borrower obtained knowledge of such failure.

(d) Insolvency Event. An Insolvency Event shall have occurred with respect to the Borrower.

(e) Security Interest. The Administrative Agent, for the benefit of the Secured Parties, ceases to have a first priority perfected security interest in any portion of the MSR Collateral or a perfected security interest (of the applicable priority) in any other portion of the Collateral.

(f) Judgments. There shall remain in force, undischarged, unsatisfied, unbonded and unstayed for more than thirty (30) consecutive days, or, if a stay of execution is procured, thirty (30) days from the date such stay is lifted, any final non-appealable monetary judgment against the Borrower in excess of [\*\*\*] over and above the amount of insurance coverage available from a financially sound insurer that has not denied coverage.

(g) 1940 Act. The Borrower becomes, or becomes Controlled by, an entity required to register as an "investment company" under the 1940 Act.

(h) Tax Event. The Borrower shall become taxable as an entity other than as it is presently taxable and as a result thereof, a Material Adverse Effect shall occur.

(i) Change of Control. The occurrence of a Change of Control without the Administrative Agent's prior written consent.

(j) Cross Default. (i) The Borrower or any of its Subsidiaries shall default under, or fail to perform as required under, or shall otherwise breach (after expiration of all applicable grace periods) the terms of any instrument, agreement or contract involving outstanding unpaid obligations of [\*\*\*] or more owing by any such Person to a Lender or any of a Lender's affiliates (including, for the avoidance of doubt, with respect to the Portfolio Hedges and any other derivatives contracts to which such Person is a party); (ii) the failure of the Borrower to make any payment when due (after expiration of all applicable grace periods) on any Indebtedness of the Borrower having an aggregate principal amount outstanding of [\*\*\*] or more (each, a "**Material Debt Facility**") or (iii) the occurrence of any other "event of default" under any Material Debt Facility.

(k) Servicing. Greater than (i) [\*\*\*] of the Borrower's servicing portfolio consisting of Ginnie Mae mortgage loans is seized or terminated in any single event or series of events arising from the same or substantially similar circumstances or occurrences, or (ii) at any one time, [\*\*\*] of the aggregate Ginnie Mae MSRs shall have been subject to an unresolved mandatory repurchase for a period of more than 30 calendar days.

(l) Transaction Documents. At any time after the execution and delivery thereof, (i) this Agreement or any Transaction Document or the Acknowledgment Agreement ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or Payment in Full) or shall be declared null and void, in each case for any reason other than the failure of the Administrative Agent or any Secured Party to take any action within its control or (ii) the Borrower shall contest the validity or enforceability of any Transaction Document or the Acknowledgment Agreement in writing or deny in writing that it has any further liability under any Transaction Document to which it is a party or shall contest the validity or perfection of any Lien in any Collateral purported to be covered by this Agreement or any other Transaction Document or the Acknowledgment Agreement;

(m) Government Action. Any Governmental Authority or any person, agency or entity acting or purporting to act under governmental authority shall have taken any action to condemn, seize or appropriate, or to assume custody or control of, all or any substantial part of the property of the Borrower or any of its Affiliates, or shall have taken any action to displace the management of the Borrower or any of its Affiliates or to curtail its authority in the conduct of the business of the Borrower or any of its Affiliates, or takes any action in the nature of enforcement to remove, limit or restrict the approval of Borrower or any of its Affiliates as an issuer, buyer or a seller/servicer of Ginnie Mae Mortgage Loans or securities backed thereby.

(n) Material Adverse Effect; Material Impairment. Any Material Adverse Effect shall occur, in each case as determined by Administrative Agent in its reasonable discretion, or any

other condition shall exist which, in Administrative Agent's reasonable discretion, constitutes a material impairment of Borrower's ability to perform its obligations under this Agreement or any other Transaction Document.

(o) Approved Mortgagee; Approved Servicer.

(i) The Borrower ceases to be:

(A) a HUD approved mortgagee pursuant to Section 203 of the NHA or

(B) a Ginnie Mae approved issuer, an FHA approved mortgagee or a VA approved lender;

(ii) HUD, FHA, VA, Ginnie Mae, as applicable, suspends, rescinds, halts, eliminates, withdraws, annuls, repeals, voids or terminates the status of the Borrower as either (A) a HUD approved mortgagee pursuant to Section 203 of the NHA or an FHA approved mortgagee pursuant to the NHA, (B) a VA approved lender or (C) a Ginnie Mae approved issuer.

(iii) The Borrower receives a written notice that HUD, FHA or VA intends to take such action set forth in clauses (i) or (ii) above and such notice has not been revoked or withdrawn within fourteen (14) days.

(iv) As distinct from and in addition to any loss of approval or actions taken by HUD, FHA, VA, or Ginnie Mae, as applicable, described in (i)-(iii), the occurrence of a Servicer Termination Event that has not been cured by the thirtieth (30th) day following the occurrence of such Servicer Termination Event.

(p) Fraud; Violation of Requirements. (i) The Borrower engages or has engaged in fraud or other reckless or intentional wrongdoing in connection herewith or any other Transaction Document, or any document submitted pursuant thereto or otherwise in connection with any mortgage-backed securitization, or in connection with any federal mortgage insurance or loan guaranty program, or other federal program related to any of the Ginnie Mae Mortgage Loans; or (ii) Borrower has used any payments, collections, recoveries or other funds pertaining in any way to the Ginnie Mae Mortgage Loans in violation of the requirements of the Ginnie Mae Servicing Contract.

(q) Change to the Servicing Contract. Any change to or default under the Ginnie Mae Servicing Contract that would result in a Material Adverse Effect on the Borrower.

(r) Servicing Portfolio. (i) The Portfolio Delinquency Rate with respect to any three-month period for its Ginnie Mae servicing portfolios exceeds [\*\*\*] or (ii) the two year "compare ratio" assigned to the Borrower by FHA under its "Neighborhood Watch" program exceeds [\*\*\*].

Section 6.2 Remedies. (a) If any Event of Default shall then be continuing, the Administrative Agent may, in its discretion or shall, upon the written request of the Majority Lenders, by written notice to the Borrower and the Lenders, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower in any manner permitted under Applicable Law, declare the principal of and any accrued interest in respect of all Advances and all other Obligations owing hereunder and thereunder to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower;

provided further, that (1) upon the occurrence of any Event of Default described in Section 6.1(d), automatically, and (2) upon the occurrence of any other Event of Default, at the request of (or with the consent of) the Majority Lenders, upon notice to the Borrower by the Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Borrower: (I) the unpaid principal amount of and accrued interest on the Advances, and (II) all other Obligations; and (B) the Administrative Agent may enforce any and all Liens and security interests created pursuant to this Agreement and any other Transaction Document, subject to the Ginnie Mae Requirements. The Administrative Agent agrees that it shall not issue a Shifting Control Notice unless an Event of Default shall have occurred and be continuing at the time such Shifting Control Notice is issued.

(s) Without limiting the foregoing, upon any acceleration of the Obligations pursuant to this Section 6.2, the Administrative Agent, in addition to all other rights and remedies under this Agreement and subject in all respects to the terms and conditions of the Acknowledgment Agreement or otherwise, shall have all other rights and remedies provided under the UCC of each applicable jurisdiction and other Applicable Laws, which rights shall be cumulative. The Borrower agrees, upon the occurrence and during the continuation of an Event of Default and upon notice from the Administrative Agent, to assemble, at its expense, all of the Collateral that is in its possession (whether by return, repossession, or otherwise) at a place designated by the Administrative Agent. All costs incurred by the Administrative Agent in the collection of all Obligations, and the enforcement of its rights hereunder, including reasonable attorneys' fees and reasonable legal expenses, shall be paid by the Borrower. Upon the occurrence of any Event of Default, the Administrative Agent may, and is hereby authorized to notify each Approved Subservicer to remit all Collections related to any Ginnie Mae Mortgage Loans directly to the Collection Account and to take any other actions permitted pursuant to the related Servicer Acknowledgment Agreement, including directing the Approved Subservicer to transfer the servicing of any or all Ginnie Mae Mortgage Loans to a successor servicer or subservicer in accordance with the Acknowledgment Agreement and the Ginnie Mae Servicing Contract. The Borrower will provide any assistance and take any actions reasonably necessary to effectuate such actions. Without limiting the foregoing, upon the occurrence of an Event of Default and the acceleration of the Advances pursuant to this Section 6.2, the Administrative Agent may, to the fullest extent permitted by Applicable Law (and subject to any Applicable Law), without notice, advertisement, hearing or process of law of any kind, subject to the terms and provisions of the Acknowledgment Agreement, (i) enter any premises, without breach of the peace, where any of

the Collateral which is in the possession of the Borrower (whether by return, repossession, or otherwise) may be located and take possession of and remove such Collateral, (ii) sell any or all of such Collateral, free of all rights and claims of the Borrower therein and thereto, at any public or private sale, and (iii) bid for and purchase any or all of such Collateral at any such sale. Any such sale shall be conducted in a commercially reasonable manner and in accordance with Applicable Law. The Borrower hereby expressly waives, to the fullest extent permitted by Applicable Law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Administrative Agent of any of its rights and remedies upon the occurrence of an Event of Default. The Administrative Agent and each Lender shall have the right (but not the obligation) to bid for and purchase any or all Collateral at any public or private sale. The Borrower hereby agrees that in any sale of any of the Collateral, the Administrative Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of Applicable Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority, and the Borrower further agree that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner. The Administrative Agent shall not be liable for any sale, private or public, conducted in accordance with this Section 6.2(b).

(t) Notwithstanding anything to the contrary contained herein or in any Transaction Document, upon the occurrence and continuance of an Event of Default, if the Borrower or any of its Affiliates (each such entity, a "**Borrower Entity**") owes any obligation to the Administrative Agent, GS&Co. or any affiliate thereof, including in its capacity as lender or Portfolio Hedge counterparty (each such entity, an "**Administrative Agent Entity**"), such Administrative Agent Entity may, without prior notice, aggregate, setoff and net: (i) any collateral pledged by any Borrower Entity to any Administrative Agent Entity or held or carried for any Borrower Entity by any Administrative Agent Entity; and (ii) any collateral required to be paid or returned by any Borrower Entity to any Administrative Agent Entity; provided, however, that the Borrower shall be notified of the foregoing promptly following such netting.

(u) Borrower hereby irrevocably instructs GS&Co., as a counterparty to Portfolio Hedge(s) that have been pledged as Collateral hereunder and in connection with the security interest granted therein pursuant to Section 2.15(a)(vi), to, in the event that an Event of Default has occurred and is continuing hereunder and amounts are due and owing to the Borrower pursuant to the terms of such Portfolio Hedge(s), including any payments in respect of the termination thereof, to remit any and all such amounts directly to the Administrative Agent, who shall apply such amounts to reduce the Borrower's Obligation's hereunder in accordance with Section 2.7. GS&Co. hereby acknowledges and agrees to the instruction made by Borrower.

(v) Borrower agrees that it shall instruct any counterparty to a Portfolio Hedge that has been pledged as Collateral hereunder and in connection with the security interest granted therein pursuant to Section 2.15(a)(vi), to, in the event that an Event of Default has occurred and is continuing hereunder and amounts are due and owing to the Borrower pursuant to the terms of such Portfolio Hedge(s), including any payments in respect of the termination thereof, remit any and all such amounts directly to the Administrative Agent, who shall apply such amounts to reduce the Obligation's hereunder in accordance with Section 2.7. Borrower further agrees that they shall deliver evidence to the Administrative Agent that such instruction has been made on or prior to pledging such Portfolio Hedge as Collateral hereunder.

(w) The exercise of remedies under this Section 6.2 shall be subject to the terms and conditions of the Acknowledgment Agreement.

## ARTICLE VII

### THE ADMINISTRATIVE AGENT

Section 7.1 Appointment; Nature of Relationship. The Administrative Agent is appointed by the Lenders as the Administrative Agent hereunder and under each other Transaction Document and the Acknowledgment Agreement, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Transaction Documents and the Acknowledgment Agreement. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this Article VII. Notwithstanding the use of the defined term "Administrative Agent," it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement and that the Administrative Agent is merely acting as the representative of the Lenders with only those duties as are expressly set forth in this Agreement, the other Transaction Documents and the Acknowledgment Agreement. In its capacity as the Lenders' contractual representative, the Administrative Agent (a) does not assume any fiduciary duties to any of the Lenders, (b) is a "representative" of the Lenders within the meaning of Section 9-102 of the UCC as in effect in the State of New York and (c) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement, the other Transaction Documents and the Acknowledgment Agreement. Each of the Lenders agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender waives. The Administrative Agent shall deliver to any Lender any written information delivered by or on behalf of the Borrower to the Administrative Agent in connection with the transactions contemplated by this Agreement, the other Transaction Documents and the Acknowledgment Agreement promptly after any Lender's reasonable request therefor.

Section 7.2 Powers. The Administrative Agent shall have and may exercise such powers under the Transaction Documents and the Acknowledgment Agreement as are specifically delegated to the Administrative Agent by the terms thereof, together with such



powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties or fiduciary duties to the Lenders, or any obligation to the Lenders to take any action hereunder or under any of the other Transaction Documents or the Acknowledgment Agreement except any action specifically provided by the Transaction Documents or the Acknowledgment Agreement required to be taken by the Administrative Agent.

Section 7.3 General Immunity. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower or any Lender for any action taken or omitted to be taken by it or them hereunder, under any other Transaction Document or the Acknowledgment Agreement or in connection herewith or therewith except to the extent such action or inaction is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from (a) the gross negligence or willful misconduct of such Person or (b) breach of contract by such Person with respect to the Transaction Documents or the Acknowledgment Agreement.

Section 7.4 No Responsibility for Advances, Creditworthiness, Collateral, Recitals, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Transaction Document or the Acknowledgment Agreement or any borrowing hereunder, (b) the performance or observance of any of the covenants or agreements of any obligor under any Transaction Document or the Acknowledgment Agreement, (c) the satisfaction of any condition specified in Article III, except receipt of items required to be delivered solely to the Administrative Agent, (d) the existence or possible existence of any Event of Default or (e) the validity, effectiveness or genuineness of any Transaction Document, the Acknowledgment Agreement or any other instrument or writing furnished in connection therewith. The Administrative Agent shall not be responsible to any Lender for any recitals, statements, representations or warranties herein, in any of the other Transaction Documents or the Acknowledgment Agreement, for the perfection or priority of any of the Liens on any of the Collateral, or for the execution, effectiveness, genuineness, validity, legality, enforceability, collectability, or sufficiency of this Agreement, any of the other Transaction Documents or the Acknowledgment Agreement or the transactions contemplated thereby, or for the financial condition of any guarantor of any or all of the Obligations, the Borrower or any of its Affiliates.

Section 7.5 Action on Instruction of Lenders. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Transaction Document or the Acknowledgment Agreement in accordance with written instructions signed by the Majority Lenders, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and on all holders of Loan Notes. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Transaction Document and the Acknowledgment Agreement unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

Section 7.6 Employment of Agents and Counsel. The Administrative Agent may execute any of its duties as the Administrative Agent hereunder, under any other Transaction Document and the Acknowledgment Agreement by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Lenders and all matters pertaining to the Administrative Agent's duties hereunder, under any other Transaction Document and the Acknowledgment Agreement.

Section 7.7 Reliance on Documents; Counsel. The Administrative Agent shall be entitled to rely upon any Loan Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent.

Section 7.8 The Administrative Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify (on a pro rata basis based upon their Applicable Percentage) the Administrative Agent (a) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Transaction Documents and the Acknowledgment Agreement, (b) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Transaction Documents and the Acknowledgment Agreement and (c) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Transactions or the Transaction Documents, the Acknowledgment Agreement or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents; provided, each Lender agrees to reimburse and indemnify the Administrative Agent for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Transactions or the Transaction Documents, the Acknowledgment Agreement or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents related to such Lender failing to maintain the confidentiality of any materials provided by the Servicing Diligence Agent and/or for taking any actions that cause the Administrative Agent to be liable to Ginnie Mae under the Acknowledgment Agreement; and provided further that in each case no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the gross negligence or willful misconduct of the Administrative Agent.

Section 7.9 Rights as a Lender. With respect to its Advances made by it and the Loan Notes issued to it, in its capacity as a Lender, the Administrative Agent shall have the same rights and powers hereunder, under any other Transaction Document and the Acknowledgment Agreement as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders", as applicable, shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Transaction Document or the Acknowledgment Agreement, with the Borrower or any of its Affiliates in which such Person is not prohibited hereby from engaging with any other Person.

Section 7.10 Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement, the other Transaction Documents and the Acknowledgment Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, the other Transaction Documents and the Acknowledgment Agreement.

Section 7.11 Successor Agent. The Administrative Agent may resign at any time (including if the Administrative Agent is no longer a Lender) by giving written notice thereof to the Lenders, Ginnie Mae and the Borrower. The Administrative Agent may be removed at any time for cause by written notice received by the Administrative Agent from all of the other Lenders. Upon any such resignation or removal, the Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Lenders and shall have accepted such appointment within thirty (30) days after the exiting Administrative Agent's giving notice of resignation or receipt of notice of removal, then the exiting Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent (but only if such successor is reasonably acceptable to each Lender) or petition a court of competent jurisdiction to appoint a successor Administrative Agent. After any exiting Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article VII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder, under the other Transaction Documents and the Acknowledgment Agreement.

Section 7.12 Transaction Documents. Each Lender authorizes the Administrative Agent to enter into each of the Transaction Documents to which it is a party and the Acknowledgment Agreement and each Lender authorizes the Administrative Agent to take all action contemplated by such documents in its capacity as Administrative Agent; provided that, with respect to the Servicing Diligence Agreement, each Lender hereunder shall execute and

deliver a joinder or related agreement acknowledging acceptance of the terms thereof, on or prior to becoming a Lender hereunder. Each Lender agrees that no Lender shall have the right individually to seek to realize upon the security granted by any Transaction Document or the Acknowledgment Agreement or seek to enforce or have standing to exercise any remedy against Ginnie Mae directly, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Secured Parties upon the terms of the Transaction Documents and the Acknowledgment Agreement. The Administrative Agent may, at the Lenders' unanimous direction (in their sole discretion) and expense, at any time, have the Loan Notes rated by a rating agency. Any such rating shall not be a condition precedent to closing the credit facility set forth in this Agreement, nor shall any rating process or requests or any subsequent downgrade of any rating received impact the Borrower's availability under the credit facility set forth in this Agreement. The Borrower shall provide reasonable assistance to obtain such rating.

Section 7.13 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Advances,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Aggregate Facility Limit and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Advances, the Aggregate Facility Limit and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances, the Aggregate Facility Limit and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in,

administration of and performance of the Advances, the Aggregate Facility Limit and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent or any of their respective affiliates is a fiduciary with respect to the Collateral or the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Transaction Document or any documents related to hereto or thereto).

(c) The Administrative Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an affiliate thereof (i) may receive interest or other payments with respect to the Advances, the Aggregate Facility Limit, this Agreement and any other Transaction Documents (ii) may recognize a gain if it extended the Advances or the Aggregate Facility Limit for an amount less than the amount being paid for an interest in the Advances or the Aggregate Facility Limit by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Transaction Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

#### Section 7.14 Erroneous Payment

(a) Each Lender hereby agrees that (i) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Lender (whether or not known to such Lender) (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Lender shall promptly, but in any event no later than one (1) Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was

made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect and (ii) to the extent permitted by Applicable Law, such Lender shall not assert any right or claim to the Erroneous Payment, and hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments received, including, without limitation, waiver of any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting the immediately preceding clause (a), each Lender hereby further agrees that if it receives an Erroneous Payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Erroneous Payment, or (y) that such Lender otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), in each case, such Erroneous Payment was an error (and that such Lender is deemed to have knowledge of such error at the time of receipt of such Erroneous Payment) and to the extent permitted by Applicable Law, such Lender shall not assert any right or claim to the Erroneous Payment, and hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine. Each Lender agrees that, in each such case, it shall promptly (and in any event within one (1) Business Day of its knowledge (or deemed knowledge) of such error) notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in any event no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) Each Lender and the Borrower hereby agree that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of or against such Lender with respect to such amount and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower, except, in each case, to the extent such Erroneous Payment is, and solely with respect

to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

Each party's obligations under this Section 7.14 shall survive the resignation or replacement of the Administrative Agent, the Maturity Date or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Transaction Document.

Section 7.15 Power of Attorney. Subject and subordinate in all respects to the rights, powers and prerogatives of Ginnie Mae under the Acknowledgment Agreement, Administrative Agent is hereby appointed the attorney-in-fact of the Borrower, with full power of substitution, for the purpose of carrying out the provisions of this Agreement, the other Transaction Documents and the Acknowledgment Agreement and taking any action and executing any agreements, documents or instruments that the Administrative Agent may deem necessary or advisable to accomplish the Transaction Documents' and the Acknowledgment Agreement's purposes, which appointment as attorney-in-fact is coupled with an interest and irrevocable for so long as any of the Obligations are outstanding and the Agreement has not terminated. The Administrative Agent agrees not to exercise its rights under this power of attorney unless an Event of Default has occurred and is continuing. Without limiting the generality of the foregoing, subject and subordinate in all respects to the rights, powers and prerogatives of Ginnie Mae under the Acknowledgment Agreement, the Administrative Agent shall have the right and power, either in the name of the Borrower or both, or in its own name, to (a) give notices of its security interest in the Collateral to any Person, (b) endorse in blank, to itself or to a nominee all items of Collateral that are transferable by endorsement and are payable to the order of the Borrower, including canceling, completing or supplying any unneeded, incomplete or missing endorsement of the Borrower and any related assignment, (c) receive, endorse, collect and receipt for all checks and other orders made payable to the order of the Borrower representing any payment of account of the principal of or interest on any Collateral or their proceeds (including any securities), or the proceeds of sale of any of the Collateral, or any payment in respect of any hedging arrangement or device, and to give full discharge for them, (d) make a transfer/engagement request on the servicer's behalf or otherwise request that any Ginnie Mae MSRs be transferred to the Administrative Agent or to another servicer approved by Ginnie Mae and perform (without assuming or being deemed to have assumed any of the obligations of Borrower thereunder) all aspects of the Ginnie Mae Servicing Contract, (e) deal with investors and any and all subservicers and master servicers in respect of any of the Collateral in the same manner and with the same effect as if done by Borrower and (f) take any action and execute any instruments that Administrative Agent deems necessary or advisable to accomplish any of such purposes.

## **ARTICLE VIII ACCOUNTS**

### **Section 8.1 Collection Account**

(a) The Borrower shall establish and maintain or cause to be maintained at the Account Bank, a segregated non-interest bearing account titled "United Wholesale Mortgage, LLC in trust for Goldman Sachs Bank USA, as Administrative Agent – GNMA Collection Account", which account has been established by the Borrower for the purpose of holding cash proceeds of the Ginnie Mae MSR's (including any Collections or other free and clear income from the Ginnie Mae MSR's related thereto, and as to proceeds from any Transfer of Servicing, as defined in the Acknowledgment Agreement) for the benefit of the Secured Parties (such account, the "**Collection Account**"), such account bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Secured Parties. The Collection Account shall be subject at all times to the Account Control Agreement and may not be a "zero balance" account.

(b) After the end of the Availability Period and following the occurrence and continuation of an Event of Default, the Borrower shall cause all Collections and other proceeds of Collateral to be remitted, free and clear of all Ginnie Mae rights and other restrictions on transfer under the Ginnie Mae guidelines, to the Collection Account no later than two (2) Business Days following receipt thereof. The Borrower may withdraw funds from the Collection Account in its discretion in the ordinary course of business, subject to the covenants set forth in Section 5.2(j). On each Monthly Payment Date after the end of the Availability Period and after the occurrence and during the continuation of an Event of Default, all amounts on deposit in the Collection Account shall be applied pursuant to Section 2.7(c) or (d), as applicable.

(c) Notwithstanding the foregoing, after the end of the Availability Period and after the occurrence and continuation of an Event of Default, the Borrower will not be required to deposit all or any portion of the Base Servicing Fee into the Collection Account.

## ARTICLE IX

### MISCELLANEOUS

Section 9.1 Survival. All representations and warranties made by the parties herein, all indemnification obligations and the confidentiality obligations under Section 9.16(c) and, to the extent required by Applicable Law, the other confidentiality obligations of the parties hereto shall survive, and shall continue in full force and effect, after the making and the repayment of the Advances hereunder and the termination of this Agreement.

Section 9.2 Amendments, Etc. (a) Neither this Agreement nor any other Transaction Document nor the Acknowledgment Agreement nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, as specifically provided in Section 2.11(d) or pursuant to an agreement or agreements in writing entered into by the Borrower, the Administrative Agent and the Majority Lenders, or (ii) in the case of any other Transaction Document the Acknowledgment Agreement, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Borrower, with (except



in the case of the Administrative Agent Fee Letter) the consent of the Majority Lenders, provided no consent will be required with respect to any amendments unilaterally required by Ginnie Mae or; provided that no such agreement shall (A) reduce or forgive the principal amount of any Advance or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender affected thereby, (B) postpone any scheduled date of payment of the principal amount of any Advance, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender affected thereby, (C) change any of the provisions of this Section or the definition of "Majority Lenders" or any other provision of any Transaction Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender directly affected thereby, (D) change Section 9.7(b) without the written consent of each Lender, (E) release all or substantially all of the Collateral without the written consent of each Lender or (F) amend or modify the definition of "Borrowing Base" or any constituent term thereof in a manner that is adverse to the Lenders; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent (it being understood that any amendment to Section 9.7 shall require the consent of the Administrative Agent).

(d) The Administrative Agent may also amend Exhibit D to reflect assignments entered into pursuant to Section 9.8.

(e) The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to the Administrative Agent by the Borrower on any Collateral (i) upon Payment in Full, (ii) constituting property being sold or Disposed of if the sale or Disposition is made in compliance with the terms of this Agreement, or (iii) as required to effect any sale or other Disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VI. Except as provided in the preceding sentence, the Administrative Agent will not release any Liens on Collateral without the prior written authorization of the Majority Lenders. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Borrower in respect of) all interests retained by the Borrower, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral. Any execution and delivery by the Administrative Agent of documents in connection with any such release shall be without recourse to or warranty by the Administrative Agent. The parties hereto agree that the Administrative Agent shall be authorized to use the Agency Release.

(f) The Acknowledgment Agreement contains certain additional requirements with respect to amendments to this Agreement and the other Transaction Documents.

Section 9.3 Notices, Etc. All notices and other communications provided to any party hereunder shall be in writing and mailed or delivered by courier or facsimile at the address for

such party set forth in Schedule 9.3 hereto or in the case of any party, at such address or other address as shall be designated by such party in a written notice to each of the other parties hereto. Notwithstanding the foregoing, (i) the Schedule of Collateral may be delivered by posting to a FTP site and (ii) each Monthly Report, any notice obligations required by Section 5.1(e), each Borrowing Base Certificate described in Section 2.4(a) and any funding request and other reporting may be delivered by electronic mail; provided that such electronic mail is sent by a Responsible Officer and each such Monthly Report or Borrowing Base Certificate is accompanied by an electronic reproduction of the signature of a Responsible Officer. All such notices and communications shall be effective, upon receipt; provided that notice by facsimile or email shall be effective upon electronic or telephonic confirmation of receipt from the recipient.

**Section 9.4 No Waiver: Remedies.** No failure on the part of the Administrative Agent or any Lender to exercise, and no delay in exercising, any right hereunder or under the Loan Notes shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

**Section 9.5 Indemnification.** The Borrower agrees to indemnify the Administrative Agent, each Lender, and their respective Related Parties (collectively, the "**Indemnitees**") from, and to hold each of them harmless against, any and all actual liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against such Indemnatee (collectively, "Losses") in any way relating to or arising out, resulting from, or in connection with, the Transactions or any of the Transaction Documents or the Acknowledgment Agreement or any other agreement, document, instrument or transaction related thereto, the use of proceeds thereof, or the enforcement of any of the terms thereof or of any such other documents (including any claims relating to the origination or servicing of any Ginnie Mae Mortgage Loan or any related Mortgaged Property) and to reimburse each Indemnatee upon written demand therefor (together with reasonable back-up documentation supporting such reimbursement request) for any reasonable and documented legal or other out-of-pocket expenses incurred in connection with investigating or defending any of the foregoing for one counsel to such Indemnitees, taken as a whole, and, in the case of a conflict of interest, of one additional counsel to the affected Indemnatee(s) taken as a whole (and, if reasonably necessary, of one local counsel or one regulatory counsel in any material relevant jurisdiction); provided that the foregoing indemnity and reimbursement obligation will not, as to any Indemnatee, apply to (A) Losses to the extent they are found in a final non-appealable judgment of a court of competent jurisdiction to arise from the willful misconduct, bad faith, gross negligence of such Indemnatee or a failure of such Indemnatee to perform in any material respect its obligations under this Agreement or (B) any settlement entered into by such Indemnatee without the Borrower's written consent (such consent not to be unreasonably withheld or delayed). This Section 9.5 shall not apply with respect to Taxes other than any Taxes that represent losses, liabilities, claims and damages arising from any non-Tax Proceeding. Each party to this Agreement waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding against any other party to this Agreement arising out of or relating to this Agreement or any other

Transaction Document any special, exemplary, indirect, punitive or consequential damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement).

**Section 9.6 Costs, Expenses and Taxes.** The Borrower agrees to pay all reasonable and documented costs and expenses in connection with the preparation, execution, delivery, filing, recording, administration, modification, amendment or waiver of this Agreement, the Loan Notes and the other documents to be delivered hereunder, including the reasonable and documented fees and out-of-pocket expenses of outside counsel for the Administrative Agent (limited to one primary counsel) with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement and the other Transaction Documents and the Acknowledgment Agreement. The Borrower further agrees to pay on demand all reasonable and documented out of pocket costs and expenses, if any (including reasonable counsel fees and expenses) (a) in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Loan Notes, and the other documents to be delivered hereunder and (b) incurred by the Administrative Agent in connection with the transactions described herein and in the other Transaction Documents and the Acknowledgment Agreement (including in connection with diligence performed with respect to the Collateral), including in any case reasonable and documented counsel fees and out-of-pocket expenses in connection with the enforcement of rights under this Section 9.6 (including any reasonable and documented costs and out-of-pocket expenses incurred in connection with the transfer of servicing and servicing of any Ginnie Mae Mortgage Loans). Any amounts received by the Administrative Agent for the account of the Lenders under this Section 9.6 will be applied to the Lenders' Obligations on a pro rata basis. In addition, the Borrower shall pay any and all Other Taxes and agrees to hold the Administrative Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such Other Taxes.

**Section 9.7 Right of Set-off; Ratable Payments; Relations Among Lenders.** (a) Upon the occurrence and during the continuance of any Event of Default, each of the Administrative Agent and the Lenders are hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Administrative Agent or such Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Loan Notes, whether or not the Administrative Agent or such Lenders shall have made any demand under this Agreement or the Loan Notes and although such obligations may be unmatured. The Administrative Agent and each Lender agrees promptly to notify the Borrower after any such set-off and application; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and the Lenders under this Section 9.7(a) are in addition to other rights and remedies (including other rights of set-off) which the Administrative Agent and the Lenders may have.

(g) If any Lender, whether by setoff or otherwise, has payment made to it upon its Advances in a greater proportion than that received by any other Lender, such other Lender agrees, promptly upon demand, to purchase a portion of the Advances held by the Lenders so that after such purchase each Lender will hold its ratable share of Advances. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon written demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to the obligations owing to them. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

(h) Except with respect to the exercise of set-off rights of any Lender in accordance with Section 9.7(a), the proceeds of which are applied in accordance with this Agreement, each Lender agrees that it will not take any action, nor institute any actions or proceedings, against the Borrower or any other obligor hereunder or with respect to any Collateral or Transaction Document, without the prior written consent of the other Lenders or, as may be provided in this Agreement or the other Transaction Documents, at the direction of the Administrative Agent.

(i) Any amounts received by any Lender under this Section 9.7 will be applied to the Lenders' Obligations on a pro rata basis.

(j) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender.

#### Section 9.8 Binding Effect; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender, and their respective successors and permitted assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Administrative Agent and the Lenders, and any assignment by the Borrower in violation of this Section 9.8 shall be null and void.

(b) Any Lender may at any time, without the consent of the Administrative Agent, assign all or any portion of its rights under this Agreement and any Loan Note to a Federal Reserve Bank; provided that no such assignment or pledge shall release the transferor Lender from its obligations hereunder.

(c) Subject to the terms of the Acknowledgment Agreement, each Lender may assign to one or more banks or other entities all or any part or portion of its rights and obligations hereunder (including its Loan Notes or its Advances) with the prior written consent of (x) the Borrower (such consent not to be unreasonably withheld, conditioned, or delayed), provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof, and provided further that no consent of the Borrower shall be required

for an assignment to a Lender or an Affiliate of a Lender or, if an Event of Default has occurred and is continuing and (y) the Administrative Agent; provided that

(i) each party to such assignment shall execute and deliver an Assignment and Assumption to the Administrative Agent, and

(ii) shall be to (x) a bank, other financial institution or lender which is reasonably acceptable to the Administrative Agent, (y) a "qualified institutional buyer", as defined in Rule 144A under the Securities Act of 1933, as amended, reasonably acceptable to the Administrative Agent or (z) any other Person (other than the Borrower a natural Person or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of natural persons or any Affiliates of the foregoing) reasonably satisfactory to the Administrative Agent.

Upon, and to the extent of, any assignment (unless otherwise stated therein) made by any Lender hereunder, the assignee or purchaser of such assignment shall be a Lender hereunder for all purposes of this Agreement and shall have all the rights, benefits and obligations (including the obligation to provide documentation pursuant to Section 2.14(g)) of a Lender hereunder. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices a register (the "**Register**") for the recordation of the names and addresses of the Lenders and outstanding principal amounts (and accrued interest) of the Advances owing to each Lender pursuant to the terms hereof from time to time and any assignment of outstanding Advances. The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

Any Lender may sell participation interests in its Advances and obligations hereunder (each such recipient of a participation a "**Participant**"); provided that after giving effect to the sale of such participation, such Lender's obligations hereunder and rights to consent to any waiver hereunder or amendment hereof shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, all amounts payable to such Lender hereunder and all rights to consent to any waiver hereunder or amendment hereof shall be determined as if such Lender had not sold such participation interest, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender and not be obligated to deal with such participant. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the outstanding principal amounts (and accrued interest) of each Participant's interest in the Advances or other obligations under the Transaction Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's

interest in any Advances or its other obligations under any Transaction Document) to any Person except to the extent that such disclosure is necessary to establish that such Advances or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Proposed Treasury Regulations Section 1.163-5(b) (or any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent shall have no responsibility for maintaining a Participant Register. Each recipient of a participation shall, to the fullest extent permitted by law, have the same rights, benefits and obligations (including the obligation to provide documentation pursuant to Section 2.14(g) (it being understood that the documentation required under Section 2.14(g) shall be delivered to the participating Lender)), hereunder with respect to the rights and benefits so participated as it would have if it were a Lender hereunder, except that no Participant shall be entitled to receive any greater payment under Sections 2.11 or 2.14 than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

Notwithstanding any other provision of this Agreement to the contrary, a Lender may pledge as collateral, or grant a security interest in, all or any portion of its rights in, to and under this Agreement to (i) a security trustee in connection with the funding by such Lender of Advances or (ii) a Federal Reserve Bank to secure obligations to such Federal Reserve Bank, in each case without the consent of the Borrower; provided that no such pledge or grant shall release such Lender from its obligations under this Agreement.

Section 9.9 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

Section 9.10 Jurisdiction. **ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK (NEW YORK COUNTY) OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, OR ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ANY OF ITS PROPERTY, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY**

**SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.**

Section 9.11 Waiver of Jury Trial. ALL PARTIES HEREUNDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE PARTIES IN CONNECTION HERewith OR THEREWITH. ALL PARTIES ACKNOWLEDGE AND AGREE THAT THEY HAVE RECEIVED FULL AND SIGNIFICANT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS AGREEMENT.

Section 9.12 Section Headings. All section headings are inserted for convenience of reference only and shall not affect any construction or interpretation of this Agreement.

Section 9.13 Tax Characterization. The parties hereto intend for the transactions effected hereunder to constitute indebtedness of the Borrower to the Lenders, secured by the Collateral, for U.S. federal income tax purposes.

Section 9.14 Execution. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by e-mail in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart of this Agreement. The parties agree that this Agreement, any addendum or amendment hereto or any other document necessary for the consummation of the transactions contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 *et seq*, Official Text of the Uniform Electronic Transactions Act as approved by the National Conference of Commissioners on Uniform State Laws at its Annual Conference on July 29, 1999 and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service providers with appropriate document access tracking, electronic signature tracking and document retention as may be approved by the Administrative Agent in its sole discretion.

Section 9.15 Limitations on Liability. None of the members, managers, general or limited partners, officers, employees, agents, shareholders, directors, Affiliates or holders of corporate interests of or in the Borrower shall be under any liability to the Administrative Agent or the Lenders, respectively, any of their successors or assigns, or any other Person for any action

taken or for refraining from the taking of any action in such capacities or otherwise pursuant to this Agreement or for any obligation or covenant under this Agreement, it being understood that this Agreement and the obligations created hereunder shall be, to the fullest extent permitted under Applicable Law, with respect to the Borrower, solely the corporate obligations of the Borrower. The Borrower and any member, manager, partner, officer, employee, agent, shareholder, director, Affiliate or holder of a corporate interest of or in the Borrower, as applicable, may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person (other than the Borrower) respecting any matters arising hereunder.

Section 9.16 Confidentiality.

(a) Notwithstanding anything in this Agreement to the contrary, the Administrative Agent and each Lender shall comply with all applicable local, state and federal laws, including all privacy and data protection law, rules and regulations that are applicable to the Collateral and/or any applicable terms of this Agreement (the "**Confidential Information**"). The Administrative Agent and each Lender understand that the Confidential Information may contain "nonpublic personal information", as that term is defined in Section 509(4) of the Gramm-Leach-Bliley Act (the "**GLB Act**"), and the Administrative Agent and each Lender agree to maintain such nonpublic personal information that it receives hereunder in accordance with the GLB Act and other applicable federal and state privacy laws. Notwithstanding the foregoing, the Administrative Agent and the Lenders may disclose Confidential Information expressly for marketing purposes, as and to the extent permitted by the GLB Act. The Administrative Agent and each Lender shall implement such physical and other security measures as shall be necessary to (i) ensure the security and confidentiality of the "nonpublic personal information" of the "customers" and "consumers" (as those terms are defined in the GLB Act) of any Lender, the Administrative Agent or any Affiliate of the Administrative Agent which the Administrative Agent or any Lender holds, (ii) protect against any anticipated threats or hazards to the security and integrity of such nonpublic personal information, and (iii) protect against any unauthorized access to or use of such nonpublic personal information. The Administrative Agent and each Lender each represents and warrants that it has implemented appropriate measures to meet the objectives of Section 501(b) of the GLB Act and of the applicable standards adopted pursuant thereto, as now or hereafter in effect. The Administrative Agent shall notify the Borrower promptly following discovery of any breach or compromise of the security, confidentiality, or integrity of nonpublic personal information of the customers and consumers of the Borrower or any Affiliate of the Borrower.

(b) Additionally, notwithstanding anything else in this Agreement, the Administrative Agent and the Lenders shall keep the Borrower's financial statements and other confidential or proprietary information provided by the Borrower in connection with this Agreement or any other Transaction Document confidential and shall not disclose such financial statements or other such information to any other party without the prior written consent of the Borrower, except that the Administrative Agent or the Lenders may disclose such information (i) to its Affiliates, officers, directors, employees, agents, counsel, accountants, auditors, advisors, prospective lenders (including any assignee and Participant) or representatives (collectively, the



"Recipients") who have a need to know such information for purposes of this Agreement or any Transaction Document and have been advised of the confidential nature of such information, (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through Administrative Agent, the Lenders or the Recipients, (iii) to the extent such information was available to the Administrative Agent or the Lenders on a non-confidential basis prior to its disclosure to the Administrative Agent or the Lenders hereunder, (iv) to the extent expressly permitted by this Agreement or (v) to the extent the Administrative Agent or a Lender should be (A) required in connection with any legal or regulatory proceeding or (B) requested by any Governmental Authority to disclose such information; provided, that in the case of clause (v)(A) above, the Administrative Agent or the applicable Lender, as applicable, will use reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by law) notify the Borrower of its intention to make any such disclosure prior to making any such disclosure.

(c) Notwithstanding the foregoing or anything to the contrary contained herein or in any other Transaction Documents or the Acknowledgment Agreement, (i) the parties hereto may disclose to any and all Persons, without limitation of any kind, the federal, state and local tax treatment of the Transactions, any fact relevant to understanding the federal, state and local tax treatment of the Transactions, and all materials of any kind (including opinions or other tax analyses) relating to such federal, state and local tax treatment and that may be relevant to understanding such tax treatment and (ii) the Borrower may not disclose the Fee Letters, any pricing terms or other nonpublic business or financial information (including the Financial Covenants) that is unrelated to the federal, state and local tax treatment of the Transactions and is not relevant to understanding the federal, state and local tax treatment of the Transactions, without the prior written consent of the Administrative Agent.

Section 9.17 Merger. This Agreement, the exhibits and schedules hereto, the other Transaction Documents, the Acknowledgment Agreement and the agreements, documents and instruments to be executed and delivered in connection herewith and therewith contain the final, complete and exclusive statement of the agreement between the parties with respect to the transactions contemplated herein and all other prior or contemporaneous oral communications (including, for avoidance of doubt, communications in connection with the preparation of this Agreement and the other Transaction Documents and the Acknowledgment Agreement) and agreements, and all prior written communications (including, for avoidance of doubt, written drafts of this Agreement and the other Transaction Documents and the Acknowledgment Agreement) and agreements, with respect to the subject matter hereof are merged herein and superseded.

Section 9.18 Lien Release. When any portion of the Collateral is transferred as permitted by the terms hereof, the security interest in and the Lien on such Collateral shall automatically be released, and the Secured Parties will no longer have any security interest in, lien on, or claim against such Collateral. The Administrative Agent agrees, at the cost and expense of the Borrower, to file termination statements, notices of termination and take all other

action reasonably requested by the Borrower (at the Borrower's expense) to evidence such release.

Section 9.19 Customer Identification - USA Patriot Act Notice. The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "**Patriot Act**"), and the Administrative Agent's and each Lender's policies and practices, the Administrative Agent and the Lenders are required to obtain, verify and record certain information and documentation that identifies the Borrower, which information includes the name and address of the Borrower and such other information that will allow the Administrative Agent or such Lender to identify the Borrower in accordance with the Patriot Act.

Section 9.20 Administrative Agent Compliance with Applicable Anti-Terrorism and Anti-Money Laundering Regulations. In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to funding of terrorist activities and money laundering, the Administrative Agent is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with the Administrative Agent. Accordingly, each of the parties agrees to provide to the Administrative Agent upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Administrative Agent to comply with such laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including the USA Patriot Act and any other laws relating to funding of terrorist activities and money laundering.

Section 9.21 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Transaction Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Transaction Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

ARTICLE I a reduction in full or in part or cancellation of any such liability;

(i) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such

shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Transaction Document; or

(ii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 9.22 Acknowledgement Regarding Any Supported QFCs. To the extent that the Transaction Documents provide support, through a guarantee or otherwise, for Derivative Contracts or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Transaction Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of Illinois and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Transaction Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Transaction Documents were governed by the laws of the United States or a state of the United States.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

UNITED WHOLESALE MORTGAGE, LLC, as Borrower

By: \_\_\_\_\_  
Name:  
Title:

GOLDMAN SACHS BANK USA, as Administrative Agent

By:  
Name:  
Title:

GOLDMAN SACHS BANK USA, as a Lender

By:  
Name:  
Title:

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Acknowledged and agreed for purposes  
of Section 2.15(c) and 6.2(c) and (d) hereof:

GOLDMAN SACHS & CO. LLC

By:  
Name:  
Title:

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EXHIBIT B

Form of Loan Note

LOAN NOTE

[●], 202[ ]  
New York, New York

THE HOLDER OF THIS NOTE SHALL BE (I) SUBJECT TO, AND BY ACCEPTANCE OF SUCH LOAN NOTE RATIFIES AND REAFFIRMS, THE PROVISIONS CONTAINED IN THE CREDIT AGREEMENT (AS DEFINED BELOW), AND (II) SUBORDINATE TO (A) ALL RIGHTS, POWERS AND PREROGATIVES OF GINNIE MAE; AND (B) CLAIMS OF GINNIE MAE ARISING OUT OF ANY AND ALL DEFAULTS UNDER THE GINNIE MAE SERVICING CONTRACT, AND OUTSTANDING PREROGATIVES OF GINNIE MAE, ALL AS MORE PARTICULARLY SET FORTH IN THE ACKNOWLEDGMENT AGREEMENTS AND THE CREDIT AGREEMENT.

THE RIGHTS, POWERS AND PREROGATIVES OF GINNIE MAE INCLUDE THE RIGHT OF GINNIE MAE TO DISQUALIFY (IN WHOLE OR IN PART) THE BORROWER FROM PARTICIPATING IN A MORTGAGE SELLING OR SERVICING PROGRAM OR A SECURITIES GUARANTY PROGRAM WITH GINNIE MAE; THE RIGHT TO TERMINATE (IN WHOLE OR IN PART) SERVICING CONTRACT RIGHTS OF THE BORROWER RELATING TO SUCH MORTGAGE SELLING OR SERVICING PROGRAM OR SECURITIES GUARANTY PROGRAM; AND THE RIGHT TO TRANSFER AND SELL ALL OR ANY PORTION OF THE GINNIE MAE SERVICING CONTRACT RIGHTS FOLLOWING THE TERMINATION OF THOSE RIGHTS.

NO LOAN NOTE MAY BE TRANSFERRED EXCEPT IN STRICT COMPLIANCE WITH THE RESTRICTIONS ON ASSIGNMENTS, AND SUBJECT TO THE LIMITATIONS, SET FORTH IN SECTION 9.8 OF THE CREDIT AGREEMENT. PARTICIPATIONS IN ANY LOAN NOTE MAY ONLY BE CONVEYED IN STRICT COMPLIANCE WITH, AND SUBJECT TO THE LIMITATIONS SET FORTH IN, SECTION 9.8 OF THE CREDIT AGREEMENT. ANY PURPORTED TRANSFER OF ANY LOAN NOTE OR ANY BENEFICIAL INTERESTS THEREIN THAT IS IN BREACH, AT THE TIME MADE, OF ANY TRANSFER RESTRICTIONS SET FORTH IN THE CREDIT AGREEMENT IS VOID *AB INITIO*.

Reference is made to that certain Credit Agreement, dated as of March 20, 2023 (as may be amended from time to time, the **Credit Agreement**"), by and among United Wholesale Mortgage, LLC (the **Borrower**"), Goldman Sachs Bank USA, as administrative agent for the Lenders that may become parties thereto (the **Administrative Agent**"), and the Lenders. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

FOR VALUE RECEIVED, the Borrower hereby promises to pay [●], as a Lender (the **Loan Note Holder**) on the Maturity Date or such earlier date as provided in the Credit Agreement (whether or not shown on Schedule I attached hereto (or such electronic counterpart)), in immediately available funds in lawful money of the United States the principal amount of up to \$[●] or, if less, the aggregate unpaid principal amount of all Advances made by the Lenders to the Borrower pursuant to the Credit Agreement, together with all accrued but unpaid interest thereon.

The Borrower also agrees to pay interest in like money to the Loan Note Holder, on the unpaid principal amount of each such Advance from time to time from the date of each such Advance until payment in full thereof at the rate or rates and on the dates set forth in the Credit Agreement.

This Loan Note is one of the Loan Notes referred to in, and is entitled to the benefits of, the Credit Agreement, which, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions specified therein and is secured by the Collateral including the Ginnie Mae MSRs.

In the event of any inconsistency between the provisions of this Loan Note and the provisions of the Credit Agreement, the Credit Agreement will prevail.

THIS LOAN NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS LOAN NOTE MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS LOAN NOTE, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, OR ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ANY OF ITS PROPERTY, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS LOAN NOTE OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

ALL PARTIES HEREUNDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS LOAN NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS



OF THE PARTIES IN CONNECTION HERewith OR THEREWITH. ALL PARTIES ACKNOWLEDGE AND AGREE THAT THEY HAVE RECEIVED FULL AND SIGNIFICANT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS LOAN NOTE.

Subject to the terms of Section 9.8 of the Credit Agreement, this Loan Note may be transferred or assigned by the holder hereof at any time, subject to compliance with any Applicable Law. This Loan Note shall be binding upon the Borrower and shall inure to the benefit of the holder hereof and its successors and assigns. The obligations and liabilities of the Borrower hereunder may not be assigned to any Person without the prior written consent of the holder hereof. Any such assignment in violation of this paragraph shall be void and of no force or effect.

No Lender shall have any right individually to realize upon any of the Collateral, it being understood and agreed that (i) all powers, rights and remedies under the Credit Agreement may be exercised solely by the Administrative Agent, on behalf of Lenders in accordance with the terms of the Credit Agreement and all powers, rights and remedies under the Transaction Documents may be exercised solely by the Administrative Agent, (ii) in the event any notice is due from Ginnie Mae pursuant to the Acknowledgment Agreement or otherwise, Ginnie Mae shall be deemed to have complied to the extent the notice is provided to the Administrative Agent under the Acknowledgment Agreement; and the Lender, by its acceptance of this Loan Note, acknowledges and agrees that only the Administrative Agent will receive such notice and that no Lender has a right to require Ginnie Mae to send it a copy of such notice or otherwise communicate with it, and (iii) any disputes, claims or suits against Ginnie Mae arising out of or relating to the Credit Agreement or the Acknowledgment Agreement may be submitted and pursued only by the Administrative Agent and not by any Lender directly.

In the event of any dispute, claim or suit between the Lenders, the Borrower, and/or the Administrative Agent, on the one hand, and Ginnie Mae, on the other, including without limitation, any claim made or position taken by a Lender in a Borrower bankruptcy proceeding, the Lender, by acceptance of this Note, acknowledges and agrees that for all purposes of the Credit Agreement the Borrower and the Administrative Agent are the sole Persons with any right to deal with Ginnie Mae with respect to the Credit Agreement or the Acknowledgment Agreement.

Demand, presentment, protest and notice of nonpayment and protest are hereby waived by the Borrower.

[Signature page follows.]

IN WITNESS WHEREOF, this Loan Note has been duly executed and delivered on behalf of the Borrower by its duly authorized officer on the date and year first written above.

UNITED WHOLESALE MORTGAGE, LLC

By:  
Name:  
Title:



EXHIBIT D

Allocations

Lenders	Pro Rata Share
Goldman Sachs Bank USA	100%



**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mathew Ishbia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UWM Holdings Corporation (the "Registrant")
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: May 9, 2024

By: /s/ Mathew Ishbia

Mathew Ishbia

Chairman, President and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Hubacker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UWM Holdings Corporation (the "Registrant")
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: May 9, 2024

By: /s/ Andrew Hubacker

Andrew Hubacker

Executive Vice President, Chief Financial Officer and Chief Accounting Officer  
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mathew Ishbia, President, Chief Executive Officer and Chairman of UWM Holdings Corporation (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: May 9, 2024

By: /s/ Mathew Ishbia

\_\_\_\_\_  
Mathew Ishbia  
Chairman, President and Chief Executive Officer  
(Principal Executive Officer)



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Hubacker, Executive Vice President and Chief Financial Officer and Chief Accounting Officer of UWM Holdings Corporation (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: May 9, 2024

By: /s/ Andrew Hubacker

Andrew Hubacker

Executive Vice President, Chief Financial Officer and Chief Accounting Officer  
(Principal Financial Officer)