

MPF DIRECT[®] PRODUCT GLOSSARY

Unless defined in the MPF Direct PFI Addendum, the following words and phrases shall have the meanings specified below when they are used in relation to the MPF Direct Product. Any terms not defined in either the MPF Direct PFI Addendum or the MPF Direct Product Glossary shall have the meaning given in the MPF Guide Glossary.

Appraised Value	With respect to any Mortgaged Property, the lesser of (i) the value (or Reconciled Market Value if more than one appraisal is received) thereof as determined by a Qualified Appraiser at the time of origination of the Mortgage Loan, and (ii) the purchase price paid for the related Mortgaged Property by the Mortgagor with the proceeds of the Mortgage Loan; provided, however, that in the case of a Refinanced Mortgage Loan, such value (or Reconciled Market Value if more than one appraisal is received) of the Mortgaged Property is based solely upon the value determined by an appraisal or appraisals made for the originator of such Refinanced Mortgage Loan at the time of origination of such Refinanced Mortgage Loan by a Qualified Appraiser.
Appraiser Independence Requirements	The Appraiser Independence Requirements of Fannie Mae and Freddie Mac effective as of October 15, 2010, as amended and in effect from time to time.
Borrower Closing Date	The date upon which the PFI closes an MPF Direct Mortgage Loan with the Borrower or Borrowers.
Business Day	Any day other than (i) a Saturday or a Sunday, or (ii) a legal holiday in the State of New York, the State of Minnesota or the State of California, or (iii) a day on which Federal Home Loan Banks or banks in the State of New York, the State of Illinois, the State of Minnesota or the State of California are authorized or obligated by law or executive order to be closed.
CLTV	Combined Loan-to-Value Ratio.
Conditions Report	A report containing all outstanding items related to: (i) the Due Diligence review of the Mortgage File (ii) the review of the Collateral File by the Custodian for loans sold under the MPF Direct Product.
Cooperative Corporation	With respect to any Cooperative Loan, the cooperative apartment corporation that holds legal title to the related Cooperative project and grants occupancy rights to units therein to stockholders through Cooperative Leases or similar arrangements.
Cooperative Loan	A Mortgage Loan that is secured by a first lien on, and perfected security interest in, Cooperative Shares and the related Cooperative Lease granting exclusive rights to occupy the related Cooperative Unit in the related Cooperative project.

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Cooperative Project	With respect to any Cooperative Loan, all real property and improvements thereto and rights therein and thereto owned by a Cooperative Corporation including without limitation the land, separate dwelling units and all common elements.
Cooperative Shares	With respect to any Cooperative Loan, the shares of stock issued by a Cooperative Corporation and allocated to the lessee of a Cooperative Unit and represented by a stock certificate.
Cooperative Unit	With respect to a Cooperative Loan, a specific unit in a Cooperative Project.
Custodial Certification	The certification from the Custodian that all of the Mortgage Loan Documents for a Mortgage Loan have been received by the Custodian and that the Mortgage Loan documents match the Custodial Schedule.
Deficiency	An error, omission or inaccuracy in a Collateral File which prevents the Custodian from delivering the initial certification for the applicable MPF Direct Mortgage Loan.
Delinquent	Any Mortgage Loan with respect to which the Monthly Payment due on a Due Date is not made by the close of business on the Business Day immediately preceding the next scheduled Due Date for such Mortgage Loan.
Delivery Date	The later of the date of receipt by the Custodian of a (i) Mortgage File, or (ii) Custodial Schedule.
Designee	A party authorized by the Investor in a writing, for a specific purchase therein specific, including without limitation, delivery of documents or communication of information relating to an MPF Direct Mortgage.
Employment Authorization Card	A document issued by United States Citizenship and Immigration Services (USCIS) that provides its holder a legal right to work in the US.
Early Payment Default Breach	If any of the first three monthly payments due after the Borrower Closing Date of the mortgage are not made on or before the next scheduled due date.
Independent	When used with respect to any other Person, a Person who (a) is in fact independent of another specified Person and any affiliate of such other Person, (b) does not have any material direct financial interest in such other Person or any affiliate of such other Person, and (c) is not connected with such other Person or any affiliate of such other Person as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.
Investor	Redwood Residential Acquisition Corporation

Loan Level Price Adjustment	An adjustment to the purchase price of a Mortgage Loan expressed as a percentage of par for, and based upon the particular characteristics of, such Mortgage Loan.
Mortgage File	The file containing, but not limited to, documents, forms, disclosures and other materials related to the origination, underwriting, Closing and compliance with Applicable Law for the subject Mortgage as described and defined in the MPF Guides for a particular MPF Mortgage Product.
MPF Direct Custodian	Wells Fargo Bank, N.A., or such other custodian or designee of MPF Provider as notified from time to time.
MPF Direct PFI Delivery Commitment	An electronic “best efforts” commitment, for the purchase of an MPF Direct Mortgage Loan, delivered by the PFI to the MPF Provider which, subject to the results of Investor’s due diligence procedures with respect to each MPF Direct Mortgage Loan, specifies the note rate and the base purchase price (which may include Loan Level Price Adjustments). Upon the Borrower Closing Date, each MPF Direct PFI Delivery Commitment shall become a mandatory delivery commitment that the PFI will sell such MPF Direct Mortgage Loan to the MPF Provider. If any MPF Direct Mortgage Loan subject to a MPF Direct PFI Delivery Commitment is not sold to the MPF Provider after the Borrower Closing Date for such MPF Direct Mortgage Loan and after Investor due diligence and acceptance of such MPF Direct Mortgage Loan, a fee may be payable by the PFI to the MPF Provider in accordance with the Guides.
MPF Direct Mortgage Loan	A Mortgage Loan originated by an eligible PFI in accordance with the MPF Direct product parameters and all of the requirements of the Guides.
MPF Direct Portal	A website for use by PFIs to facilitate the sale of Mortgage Loans under the MPF Direct Product.
MPF Direct Portal Doc Center	A utility within the MPF Direct Portal that supports the electronic submission of documents for review by the Investor.
Open Item Notice	A notice delivered by the Investor, with respect to an MPF Direct Mortgage Loan, which identifies an Open Item or Items, that does not comply with the requirements of the underwriting guidelines, the Guides or the applicable MPF Direct PFI Delivery commitment.
Originator	The eligible PFI that originated the MPF Direct Mortgage Loan.
Petition for Non-Immigrant Worker	Form used to petition for an alien worker to become a permanent resident in the United States. (Form I-140)

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PFI Funding Schedule	The funding schedule prepared by the Investor and delivered to the applicable PFI with respect to a MPF Direct Mortgage Loan or a Mortgage Loan Package.
Qualified Appraiser	With respect to each MPF Direct Mortgage Loan, an appraiser, duly appointed by the originator, who had no interest, direct or indirect in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the Mortgage Loan, and each of such appraiser and the appraisal made by such appraiser satisfies (i) the requirements of Fannie Mae or Freddie Mac (including but not limited to the Appraiser Independence Requirements), (ii) the requirements of Title XI of FIRREA and the regulations promulgated thereunder, and (iii) the requirements of the MPF Guides, all as in effect on the date the Mortgage Loan was originated.
Reconciled Market Value	The estimated market value of the Mortgage Property that is reasonably determined by the Originator of the related Mortgage Loan based on different results obtained from different permitted valuation methods or at different time periods, all in accordance with the Guides as in effect on the date the Mortgage Loan was originated.
Request for Release	A request for a release from the Owner or the servicer of a Mortgage file either in an electronic format or signed by an authorized Representative of the Owner or the Servicer, respectively.
Security Agreement	With respect to a Cooperative Loan, the agreement creating a security interest in the related Cooperative Shares and Cooperative Lease securing the related Mortgage Note.
Single Loan Exception	Any requirements of the Underwriting Guidelines, the Guides or the applicable MPF Direct Delivery Commitment with respect to an MPF Direct Mortgage Loan, Mortgage File or Mortgaged Property that has been waived by the purchaser at its sole discretion.
Third Party Sourced Mortgage Loan	A Mortgage Loan with a Loan Application taken by a third party but closed in the PFI's name. In addition, the Mortgage Loan must be underwritten and closed in the PFI's name.