



Power of Attorney Policy

Objective

This Power of Attorney Policy is to provide Royal Pacific Funding (RPF) approved Sellers with detailed guidelines regarding the use of Power of Attorney (POA) in loan transactions submitted to RPF Correspondent Lending.

Requirements

The POA must be loan specific. A Limited Durable POA is permitted as long as it is specific to the transaction and it meets the following:

- o Meets all agency requirements applicable to the transaction (i.e. Fannie Mae, Freddie Mac, HUD, VA)
- o Reviewed and Approved by Title Company prior to closing.

- A durable or a Specific can be used when a borrower is not legally competent with a court-appointed guardian provided the guardian has unlimited power over the ward's affairs, including the power to hold, convey, and give a lien against real property owned by the ward, to make payments from the ward's assets, and to permit inquiries concerning the ward's credit. Documentation must be provided supporting the appointment as guardian (e.g. court order or living will/trust with specific requirements).

- On Conventional loans, usage of a POA is not permitted on cash out refinance loan transactions unless required by applicable law. Usage of a POA is also not permitted in connection with Texas Section 50(a)(6) mortgage loans.

- The initial 1003 Uniform Residential Loan Application and all other initial disclosures must be signed without the usage of a POA. The only exceptions to this requirement that allows for both the original and final 1003 to be executed using a POA are if either
 - o A borrower is on military service with the United States armed forces serving outside the United States or deployed aboard a United States vessel, as long as the POA
 - Expressly states an intention to secure a loan on a specific property, or
 - Complies with the requirements under the "VA Lender's Handbook" relating to POAs for VA-insured mortgage loans, or
 - Such use is required of lender by applicable law.

- The attorney-in-fact is required to sign exactly as the POA is drawn. The name(s) on the POA must match the name(s) of the person on the affected loan document. If this requirement is not met, the title company must provide written approval that the title company will insure the loan as it is signed.

Except as otherwise required by applicable law, or unless they are the borrower's relative, no employee, employer, affiliate or other related party to the following connected to the loan transaction shall sign as the attorney-in-fact:

- o The lender,
- o The loan originator,
- o The title insurance company providing the title insurance policy, or
- o Any real estate agent with a financial interest in the loan transaction.