

Prohibited Party Verification Policy

CMG Financial Correspondent Lending (hereinafter referred to as "CMG") has implemented the following policy to ensure no prohibited parties are involved in the origination of the Mortgage or in the underlying real estate transaction.

The following parties to the loan transaction must be checked against the Freddie Mac Exclusionary List (Exclusionary List), Limited Denials of Participation (LDP) List, and Excluded Parties List (EPL), which is commonly referred to as "GSA."

- Borrower(s)/Buyer(s)
- Loan Processor
- Underwriter
- Loan Originator
- Broker Company
- Seller Company (Correspondent)
- Title Company
- Title Officer
- Escrow Company
- Settlement or Closing Agent
- Appraisal Company/Appraisal Management Company (AMC)
- Appraiser
- Seller(s)
- Real Estate Selling Broker Company and Agent
- Real Estate Listing Broker Company and Agent
- Builder Company and Name

CMG will not purchase a loan with any party involved with the transaction that is listed on the Exclusionary List, LDP List or EPL.

FREDDIE MAC EXCLUSIONARY LIST

Reviewing the Freddie Mac Exclusionary List is required on all Conventional Loans.

The Freddie Mac Exclusionary List is the list compiled, maintained and distributed by Freddie Mac containing names of individuals or entities that have been excluded from participating in transactions or doing business, directly or indirectly, with Freddie Mac.

If an individual or company is found on the Exclusionary List, that individual or company may contact Freddie Mac directly to request removal from the list.

LDP LIST

Reviewing the LDP List is required on ALL loans (Conventional, FHA, VA, etc.)



The LDP List is accessed via the following website: https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp
Proof that all parties were checked against the LDP List is required.

The Limited Denials of Participation (LDP) List is a list compiled by the U.S. Department of Housing and Urban Development (HUD). A LDP is issued by HUD to parties (individuals and companies) who fail to comply with HUD program standards and excludes those parties from further participation in a HUD program area.

Note: If an individual or company is found on the LDP List, the following steps provided by HUD must be completed:

1. If the Seller detects new participation or attempted participation by such parties in a program from which they have been excluded by the local HUD office, immediately notify the local office and obtain instructions before submitting the loan file to CMG for purchase consideration.
2. If the Seller detects new or attempted participation by a party who has been excluded from a different program from that of the current application, notify the local HUD office but continue to process the application because the party is excluded only from the program(s) as shown on the LDP list. HUD must decide whether or not to attempt to broaden the exclusion action.
3. If the Seller detects new or attempted participation by a party who has been issued an LDP by another HUD jurisdiction, notify the local office but continue to process the application because the party is not excluded unless the local HUD office issues its own action based on the action by the other HUD office or based on its own evidence.

EPL (GSA)

Reviewing the EPL List is required on ALL loans (Conventional, FHA, VA, etc.)

The EPL is available through the System for Award Management (SAM) website: <https://www.sam.gov>
Proof that all parties were checked against the EPL is required.

The System for Award Management (SAM) currently houses the exclusion records from the Excluded Parties List (EPL) along with entity records from other systems. The EPL was previously managed by the General Services Administration (GSA), consequently it is commonly referred to as "GSA." The EPL includes information regarding entities debarred, suspended, proposed for debarment, excluded or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits.

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