DUE DILIGENCE SERVICES

Not all vendors are the same and neither is the associated risk. Vendorly® offers customized levels of due diligence questionnaires and research specific to vendor type.

DUE DILIGENCE COMPONENT	BRONZE	SILVER	GOLD	PLATINUM
License Verification	✓	✓	✓	✓
Insurance Verification	✓	✓	✓	✓
Office of Foreign Assets Control (OFAC) Check	✓	✓	✓	✓
Tax Form (W-9) Review	✓	✓	✓	✓
Better Business Bureau (BBB) Check	✓	✓	✓	✓
Business Report	✓	✓	✓	✓
Business Status Validation	✓	✓	✓	✓
Consumer Financial Protection Bureau (CFPB) Check	✓	✓	✓	✓
Vendor Due Diligence Questionnaire		✓	✓	✓
Scorecards		✓	✓	✓
Financial Review			✓	✓
Information Security Assessment			✓	✓
Onsite Audit				✓

OPTIONAL SERVICE: Bitsight® Cyber Security Ratings
Closing settlement agent Wire validation – Secure Insight

1. License Verification

Once the vendor uploads the business license, Vendorly team will ensure that it contains all the necessary information: company name, address, effective and expiration date (if applicable) and validates with the respective state registry.

2. Insurance Verification

Once the vendor uploads the certificate of insurance, declarations page or insurance policy, Vendorly team will verify that it contains all the necessary information: names of insured and insurer, policy number, type of coverage, limits of coverage, effective and expiration dates. Vendorly team will ensure that the expiration date showing on the system matches the one on the supporting document.

3. Office of Foreign Assets Control (OFAC) Check

Vendorly team will search for matches on the Specially Designated Nationals list, available on OFAC's website using the vendor's full legal entity name. Vendorly team will take a screenshot showing the search results, save it in a pdf format and upload it to the certification type "OFAC search".

4. Tax Form (W-9) Review

Once the vendor provides the W-9 form, Vendorly team will verify that it contains all the necessary information: company name, address, tax classification and Tax ID. Vendorly team will check that the form is correctly filled out, and that it is properly signed and dated.

5. Better Business Bureau (BBB) Check

Vendorly team will search on BBB for the vendor's rating using the vendor's full legal entity name and address. Vendorly team will take a screenshot showing the results, save it in a pdf format and upload it to the certification type "BBB Check".

6. Business Report

The Vendorly team will prepare a Business report for each vendor that contains: business information (address, website), business status from State records, officers information, private/publicly traded, financial ratios (if publicly traded), negative news, System for Award Management (SAM) check, Nationwide Mortgage Licensing System (NMLS) check, and information on known business connections.

7. Business Status Validation

Vendorly team will check the business status with State records using the vendor's name and address. Vendorly team will find the business on the State's website, take a screenshot that shows the business status, and upload it in pdf format to the certification type "Business Status Validation".

8. Consumer Financial Protection Bureau (CFPB) Check

Vendorly team will search the CFPB database for any consumer complaints using the vendor's full legal entity name. If there are unresolved complaints, Vendorly team will review them with the Supervisor to decide if the vendor will pass the check. Vendorly team will export the data from the CFPB site in Excel format. If there are no complaints, Vendorly team will take a screenshot of the site and save it in pdf format. The evidence of this check will be uploaded to the certification type "CFPB Complaints Check".

9. Due Diligence Questionnaire

Vendors will be asked to complete a self-assessment questionnaire that will be tailored based on the vendor's certification package, services provided and specific Client requirements. Vendorly team can create template questionnaires for each certification package per the Client requirements.

10. Scorecards

Once the Client and Vendorly team decide on the criteria for performance assessment, and the raw data for the assessment, the Vendorly team will periodically produce a scorecard. Vendorly has designed a template scorecard that contains four quadrants:

- Delivery Performance
- Quality
- Compliance
- Risk Management

Vendorly team will upload the scorecard to the certification type "Scorecard", on each vendor's profile.

11. Financial Review

Using the financial statements provided by the vendor, or the ones obtained from public sources (if available) Vendorly team will perform an assessment of the vendor's financial health. The following items will be considered in the assessment:

- ⬆ Revenue

- ⬆ Net Margin

- ⬆ Return on Capital Employed • Equity

- ⬆ Current Ratio (current assets/liabilities)

- ⬆ Debt Ratio (total debt/total assets)

- ⬆ Interest Coverage

Vendorly team will upload the financial assessment to the certification type "Financial Review".

12. Information Security Assessment

The information security assessment will involve the examination of the vendors' internal security policies and procedures such as Business Continuity Plan and Disaster Recovery Plan, as well as the review of external certifications such as PCI, SSAE16, ISO. The vendor will be asked to provide its SSAE16/SOC1/SOC2/Information Security Policies. Vendorly team will review the documents provided to determine if the information security requirements are met. Vendorly team will upload all the documents related to the information security assessment to the certification type "Information Security Audit"

13. Onsite Audits

Onsite audits may be conducted for critical Vendors to check the Vendor's operations and capacity to comply with all applicable laws, regulations and contractual obligations. The populations of vendors that require an onsite audit are based upon Vendorly's risk classification methodology and inputs from the respective Member on the specific vendor relationship. The onsite audit report will be uploaded to the certification type "Onsite audit" on the vendor's profile.