

## Annual Recertification Submission Checklist

Company Name		Date
Broker Contact	Account Executive:	

### **Required Forms (Wet Signature)**

- Mortgage Broker Annual Recertification Checklist
- Mortgage Broker Annual Recertification Form
- Updated License Information
- Signed and Dated Most recent P & L Statement and Balance Sheet
- 3 or more References from Wholesale Lenders with Whom You Are Approved

# ANNUAL RECERTIFICATION



Company Information			
Legal Name of Entity:			
Doing Business As:			
Street Address (No P.O. Box):			
City:	State:	ZIP Code:	
Phone:	Fax:	Company E-mail:	
Contact Person:		Contact E-mail:	
Type of Business: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Corp. <input type="checkbox"/> S. Corp. <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> LLP			
Incorporated Date:		County:	State:
Federal ID No:		If no Federal ID #., Broker SSN:	
License/Approval			
Broker of Record:		License #:	
Broker NMLS #:		Date Issued:	
Company NMLS #:		Expiration Date:	
<i>If licensed approved by any of the following entities, the following information is required.</i>			
FHA/HUD No.:		Date Approved:	
Veterans Affairs No:		Date Approved:	
Fannie Mae No:		Date Approved:	
Freddie Mac No:		Date Approved:	
Principal(s) / Senior Officer(s) / Manager(s)			
Name	Title	SSN #	Percent Owned
			%
			%
			%
			%
References: (List All FNMA/FHLMC Wholesale Lenders with Whom You Are Approved)			
Company	Contact Person	Email address	
Disciplinary Actions			
Does your company have an internal audit system to verify authenticity of the information contained in your loan? If yes, please attach documentation.		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have your company ever been suspended from brokering loans to lender? If yes, please attach a complete explanation.		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have you ever been removed from a Lender's / Investor's Approved Mortgage Brokerage list? If yes, please attach a complete explanation and supporting documentation, if applicable.		<input type="checkbox"/> Yes	<input type="checkbox"/> No

# ANNUAL RECERTIFICATION



Have you ever been a Defendant in a Lawsuit Initiated by a Lender, Investor, or any party involved in a loan transaction? If yes, please attach a complete detailed explanation and supporting documentation.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have you ever been disciplined by a local, state or federal regulatory agency? If yes, please attach a complete detailed explanation and supporting documentation.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Productions**

Product Type	Year to Date Volume		Previous Year's Volume	
	Dollar Amount	% of Total	Dollar Amount	% of Total
FNMA / FHLMC "A" Paper	\$	%	\$	%
Jumbo "A" Paper	\$	%	\$	%
FHA	\$	%	\$	%
VA	\$	%	\$	%
Other	\$	%	\$	%
<b>Total</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>

Volume Mortgage Brokerage expects to submit to Mortgage Mac per month: \$

**Authorization to Release Information**

The undersigned applicant(s) authorize(s) the release to Mortgage Mac of any and all information(s) about the applicant(s) deemed necessary by Mortgage Mac. The applicant(s) also agree(s) that Mortgage Mac, from time-to-time, may request and secure additional information from mortgage brokerage.

**Certifications**

I/We hereby certify that Mortgage Brokerage is in good standing with any all applicable regulatory agencies. I/We further certify that said Mortgage Brokerage is not a defendant in any litigation alleging fraud, misrepresentation or dishonest acts. For the purpose of inducing Mortgage Mac to provide financing for clients of the undersigned, I/We certify that all information contained in this Mortgage Brokerage application is true and correct.

\_\_\_\_\_  
Signature    Date

\_\_\_\_\_  
Broker (Company) of Record (Print)

\_\_\_\_\_  
Signature    Date

\_\_\_\_\_  
Principal / Senior Officer (Print)

\_\_\_\_\_  
Signature    Date

\_\_\_\_\_  
Principal / Senior Officer (Print)

\_\_\_\_\_  
Signature    Date

\_\_\_\_\_  
Principal / Senior Officer (Print)

## BROKER AGREEMENT

---

This Broker Agreement ("Agreement") is entered into on \_\_\_\_\_ 20\_\_\_\_ by and between Mortgage Mac, a California corporation ("Lender"), and \_\_\_\_\_ ("Broker") with reference to the following:

### RECITALS

- A. *The parties wish to establish a non-exclusive relationship whereby Broker will, from time to time and at its option, submit completed application packages for mortgage loans ("Loans") to Lender on behalf of Broker's clients ("Borrowers") for possible funding.*
- B. *Lender will fund all Loans submitted which meet its lending criteria, policies and guidelines.*
- C. *The parties now desire to enter this Agreement to set forth the terms of their relationship.*

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

### AGREEMENT

1. General Broker Responsibility; Fees. Broker will at Broker's sole expense perform those services listed on Exhibit "A" to this Agreement in consideration for such fees as set forth on Exhibit "B" to this Agreement. Such fees may be paid in whole or in part by Borrower and/or by Lender; provided, that no fees shall be payable to Broker which have not been fully disclosed to, and approved by, both Lender and Borrower. The contents of all Loan packages and other information submitted to Lender shall become the property of Lender upon loan closing, and all information contained therein may be subject to Lender's independent verification. No fee shall be owed to Broker on account of any proposed Loan which is not funded and closed, and Lender shall have no obligation under this Agreement to Broker if a Loan fails to close and fund, for whatever reason except that Lender will fund any loans submitted to Lender by Broker, which conform with the lending criteria, policies and guidelines then in effect ("Lending Criteria").

2. Loan Approval. Lender shall make available to Broker product descriptions of the various wholesale lending programs being offered by Lender from time to time. Such descriptions shall not be binding upon Lender. Loan approval shall be within Lender's Lending Criteria. Broker shall not represent to any party that Lender has approved or will approve any Loan until Broker is so informed by Lender in writing. All Loans shall close in Lender's name. Appraisers and their qualifications must be approved in advance by Lender; however, such approval does not ensure that Lender will not review or rewrite any appraisal submitted to it.

3. Broker's Warranties. Broker represents, warrants and covenants to Lender, as of (i) the time any Loan package is submitted to Lender, and (ii) as of the time the Loan is funded and closed through the life of the Loan, that:

3.1 Authority and Capacity. Broker is a duly organized and validly existing entity in good standing under applicable laws of the state of California and is properly licensed, approved or registered with the U.S. Housing & Urban Affairs Department (at any time a FHA loan is submitted to Lender) and in such state or other states in which it is engaged in the business of brokering or originating mortgage loans, and that it has the requisite authority and capacity to enter into this Agreement and this Agreement has been duly authorized, executed and delivered by Broker and constitutes a valid and binding obligation of Broker, enforceable in accordance with its terms. Broker's compliance with

## BROKER AGREEMENT

---

the terms and conditions of this Agreement will not violate any provisions of its charter documents, any instrument relating to the conduct of its business, or any other agreement, law or regulation to which it may be a party or under which it may be governed.

3.2 No Untrue Statements. None of the statements or information contained in any document submitted with or included as part of the application package, or in any document reviewed in connection with Lender's underwriting decision, contains or will contain any misleading, false or erroneous statements, or omit facts necessary to make such statements or information accurate and understandable in every respect.

3.3 Absence of Claims. There is not pending or threatened any suit, action, arbitration, or legal, administrative, or other proceeding or investigation (including an allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees which could have an adverse effect on the Broker's business, assets, financial condition, or reputation, or upon any Loan submitted for funding by Lender.

3.4 Control of Document. No Borrower shall have had in its direct or indirect possession or control any credit, income, or deposit verification document submitted to Lender with respect to any Loan.

3.5 Duly Licensed. Broker possesses all necessary approvals, licenses, permits, and authority to execute and deliver this Agreement and to engage in the activities contemplated by this Agreement, and Broker is in full compliance in all respects, and in good standing, with all regulatory and supervisory agencies having jurisdiction over Broker.

3.6 Ownership. Broker has no direct or indirect ownership interest in any property acting as security for the Loan.

3.7 Compliance / Licensing. Broker and each other person involved in the Loan transaction has complied and will comply with all applicable state and federal laws and regulations, including without limitation of the National Housing Act and its implementing regulations, (if a FHA loan is submitted to Lender) as amended, with respect to the Loans and the activities of Broker. The Broker and each other person involved in the Loan transaction is in full compliance in all respects with all rules and regulations of all real estate and mortgage lending regulatory and supervisory agencies as are applicable to Broker and such person(s), and Broker and all such person(s) are presently in good standing with, and hold all licenses and approvals required by, such agencies. Broker covenants to maintain all licenses and approvals on a current basis and to keep itself in good standing with such agencies. Broker further covenants to notify Lender immediately upon the suspension, revocation, expiration or other termination of any licenses or approvals, or of the taking of any action by any such agency against Broker or such person(s) which could adversely affect the Broker's licenses and approval.

3.8 Fees. Any fees (and the amount of such fees) imposed by Broker upon Borrower have been determined by negotiations between Borrower and Broker. The total fees to be received by Broker have been separately itemized and fully disclosed to Borrower and Lender

3.9 Services to Borrower. At all times during the term of this Agreement, with respect to each Borrower whose application has been submitted to Lender, Broker has observed and shall observe and fully discharge the duties owed by mortgage brokers to their clients under applicable law. In addition to having assisted Borrower in the completion of his/her loan application, Broker has fully and satisfactorily performed at least five of the services set forth on Exhibit "A." All services were performed

## BROKER AGREEMENT

---

and in accordance with accepted and customary standards in the mortgage lending industry generally, and Broker is not aware of any dispute or claim by any borrower that all such services were not fully and satisfactorily performed.

3.10 High Cost Mortgages. With respect to any Loan that is subject to the provisions of Section 226.31 and Section 226.32 set forth in Regulation Z (Truth in Lending), prior to the date of Broker's submission of Borrower's completed Loan application package to Lender, Broker has delivered a complete and accurate notice which satisfies all requirements of Sections 226.31 and 226.32 of Regulation Z. Broker has reviewed and analyzed borrower's credit, income, debts and financial condition, discussed the results of its review and analysis with the Borrower and, based upon such review, analysis and discussion, Broker has a reasonable basis to believe that Borrower has the ability to repay the Loan in accordance with its terms. The Borrower has not signed a letter indicating or otherwise notified Broker that Borrower is unable to repay the Loan in accordance with its terms.

4. Status of Broker. Nothing in this Agreement shall be construed as the Broker being deemed a joint venture, partner, representative, employee or agent of Lender. Broker shall not hold itself out as such, nor shall it use Lender's name in any advertising. Broker's decision to submit application packages to Lender has been made in consultation with Borrower.

5. Broker's Indemnification. Broker shall indemnify and hold Lender and its affiliates, shareholders, directors, officers, agents, employees, successors, and assigns harmless from and against, and shall reimburse the same with respect to, any and all losses, damages, demands claims, liabilities, costs, and expenses, including reasonable attorney's fees, (collectively "Losses") from any cause whatsoever, incurred by reason of or arising out of or in connection with, (a) any breach of any agreement, covenant, representation or warranty contained in this Agreement; (b) Broker's failure to perform any obligation hereunder, (c) any claim by a Borrower resulting from Lender's lawful failure or refusal to fund a Loan; or (d) any claim by any third party that Broker is a joint venture, partner, representative, employee or agent of, or otherwise associated or affiliated with, Lender. Broker's obligation to indemnify Lender under this Agreement shall arise upon Lender's incurring a Loss, (e) the failure of Broker to deliver the Mortgage File documents to Lender in accordance with this agreement, (f) any fraud committed in connection with a Loan on the part of Broker or any other individual or entity (other than Lender or an assignee), (g) any claim by a Borrower regarding an agreement or arrangement, whether actual or alleged, with Broker, (h) any inability to obtain, or the lapse or cancellation of private mortgage insurance or FHA insurance, as applicable, in connection with a Loan that arises out of, results from, or relates to an act or omission on the part of Broker, (i) any Loan in connection with which there was a misstatement of material fact. Without limiting the foregoing, the costs and expenses for which Broker must indemnify Lender include costs and expenses (including without limitation attorney's fees and internal costs and expenses) incurred by Lender to enforce its rights under this section and section 6.

6. Lender's Rights. Broker's obligation to fully indemnify Lender under this Agreement shall not be affected by Lender taking any of the following actions with or without notice to Broker (a) liquidation, repayment, retirement, or sale or resale of any Loan, (b) foreclosure of any Loan; or (c) sale or resale of the property securing any Loan.

7. Repurchase. If Broker is obligated to indemnify Lender or any assignee, direct or indirect, of a Loan closed by Lender from Broker hereunder with respect to any of the events or circumstances set forth in section 5 (the "Indemnified Events"), then in addition to the obligations of Broker under section 5, Broker shall, upon receipt of a notice from Lender, promptly repurchase from Lender each Loan acquired by Lender hereunder that is affected by the Indemnified Events. The repurchase price for each such Loan shall be an amount equal to the sum of the outstanding principal balance of the Loan, the accrued but unpaid interest on the Loan, the amount of unreimbursed advances made by Lender in connection with the Loan, the

## BROKER AGREEMENT

---

amount of unpaid late charges, Lender's cost to carry the Loan from the date of closing, as applicable, to the date of repurchase, and the amount of compensation or premium paid by Lender, directly or indirectly, to Seller in connection with the Loan. In event that Lender sold such a Loan, or a participation interest therein, to an assignee, or the Loan backed securities or participation interests that were issued by or are guaranteed by an assignee, and the assignee requires or permits the repurchase of the Loan, then Broker shall, promptly upon receipt of a notice from Lender, provide Lender with an amount equal to the sum of the funds necessary to repurchase the Loan pursuant to the assignee's requirements, the amount of unreimbursed advances made by Lender in connection with the Loan, the amount of unpaid late charges, Lender's Cost to carry the Loan from the date of closing to the date of repurchase, and the amount of any servicing-related premium and if applicable, any above par premium paid by Lender, directly or indirectly, to Broker in connection with the Loan.

8. Disclosure of Information. Broker acknowledges and agrees that Lender may report instances of Broker making any misstatement in connection with a Loan, or Broker's knowingly aiding a Borrower or any other party involved in the Loan transaction to do the same, to appropriate state or federal regulatory authorities or law enforcement agencies. In addition, Broker shall make prompt, timely, full, accurate and truthful disclosures to Lender of all facts, information and documentation which Broker may know, suspect, or have notice of, which could affect or has affected the validity, collectability, collateral value, security, and enforceability of any loan brokered by Broker for funding by Lender.

9. Termination of Agreement. Upon notice to the other: Broker may terminate its obligations under Section 1 of this Agreement-, or Lender may terminate its obligations under Sections 1, 2 and 3 of this Agreement. No other provisions of this Agreement may be terminated for any reason.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the state of California.

11. Miscellaneous.

11.1 Right to Offset. Amounts owed by Broker to Lender under this Agreement may, at Lender's option and in its sole discretion, be offset by Lender against any payments then or thereafter owed by Lender to Broker.

11.2 Notices. All notices required hereunder shall be in writing and shall be deemed to have been given, made, and received only (a) upon delivery, if personally delivered to a party; (b) one business day after the date of dispatch, if by facsimile transmission; (c) one business day after deposit, if delivered by a nationally recognized courier service offering guaranteed overnight delivery; or (d) three business days after deposit in the United States first class mail, certified mail, postage prepaid, return receipt requested, to the address appearing on the signature page of this Agreement.

11.3 Attorney's Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled,

11.4 Assignment. Broker may not assign this Agreement or its duties hereunder.

11.5 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous agreements, representations, and understandings, No supplement, modification, or amendment shall be binding unless executed in writing by both parties.

## BROKER AGREEMENT

---

11.6 Waivers or Remedies. Failure or delay to exercise any right or remedy available under this Agreement or at law or equity, shall not act as a waiver of any other right or remedy, nor shall any single or partial exercise of any right preclude any other or further exercise thereof. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

No waiver shall be binding unless executed in writing by the party making the waiver. All remedies shall be cumulative and nonexclusive.

11.7 Partial Invalidity. If any provision of this Agreement is held invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

11.8 Further Assurances. Each party shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement. In the event any borrower(s) exercises his, her or their right of rescission, Broker shall promptly pay to Lender all amounts collected by Broker from Borrower in connection with the Loan, except where such amounts were disbursed by Broker to third party service providers.

11.9 Provision of Information. During the term of this Agreement, and after the submission of a Loan application to Lender, Broker shall furnish Lender, by bonded courier, all notices, communications, documents, correspondence and other materials received by Broker from any person whatsoever relating to a Loan within one day following receipt thereof by Broker.

12. 'Early Payoff Premium/Credit Recapture.

All Program. If any borrower pays off the Loan during the 210 days following the Funded/Closed Date, Broker shall promptly reimburse to the NMSI, Inc., (1) any related premium above par and/or any other pricing enhancements paid by NMSI, Inc. to Broker and/or Borrower including but not limited to any amount paid by NMSI, Inc., and/or credited toward to borrower's closing cost OR (2) SRP of 1.750% of Loan Amount which was included in your final pricing, whichever is greater.

13. 'Early Payoff Default.

13.1 Default Loan. In addition to any other repurchase obligations within this Agreement, Broker shall repurchase a Loan at the Repurchase price set forth in section 7 within five (5) Business Days following receipt of notice from Lender of the occurrence of any of the following events with respect to such Loan: (a) For any Loan that is eligible to be sold to or insured by any Agency: Any of the first four (4) scheduled monthly payments due Lender on the Loan becomes ninety (90) days delinquent; or (b) For any other Loan: Any of the first four (4) scheduled monthly payments due Lender on the Loan becomes thirty (30) days delinquent.

13.2 Delinquent Loan. A monthly payment shall be considered delinquent if that payment is not received by Lender or its assigns on or before its due date. Each delinquent monthly payment shall accrue another day of delinquency for each consecutive day that passes without Lender or its assigns receiving that monthly payment. Furthermore, for each full calendar month that passes without Lender or its assigns receiving the delinquent monthly payment, the monthly payment shall be considered thirty (30) days delinquent regardless of the number of days in that month.

13.3 Prohibition. Broker shall not advance funds for or on behalf of a Borrower for any payment or to otherwise make funds available to any Borrower to avoid or to cure a default by the Borrower and any such action by Broker shall not negate Broker's repurchase obligation under this



## BROKER AGREEMENT

---

section 13. A payment for which Lender deducted funds at the time of closing the Loan from Broker shall not be considered the first payment due after the date the Loan is closed.

IN WITNESS WHEREOF, the parties have caused there duly authorized representatives to execute this Broker Agreement as of the date first set forth above.

Broker: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Lender: MORTGAGE MAC

Address: 330 E. Lambert Rd. Suite 250  
Brea, CA 92821

By: \_\_\_\_\_  
President of Mortgage Mac

Date: \_\_\_\_\_

## BROKER AGREEMENT

---

### EXHIBIT A

- (a) *Taking information from the applicant and filling out the application.* Filling out a prospective borrower's worksheet may substitute for the act of filling out a mortgage loan application if, for reasons of efficiency, the lender prefers to have the actual application filled out in a central location.
- (b) *Analyzing the applicant's income and debt and prequalifying the borrower to determine the maximum amount the applicant can afford.*
- (c) *Educating the borrower in the home-buying and financing process, advising the borrower about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product.*
- (d) *Collecting financial information (for example, tax returns, bank statements) and other related documents that are part of the application process.*
- (e) *Initiating or ordering verifications of employment (VOEs) and verifications of deposit (VODs)*
- (f) *Initiating or ordering requests for mortgage and other loan verifications.*
- (g) *Initiating or ordering appraisals.*
- (h) *Initiating or ordering inspections or engineering reports.*
- (i) *Providing required legal disclosures (Truth-in-Lending, Good Faith Estimate, others) to the applicant.*
- (j) *Assisting the applicant in understanding and clearing credit problems.*
- (k) *Maintaining regular contact with the applicant, real estate broker or salesperson, and lender, between application and closing to apprise them of the status of the application and to gather any additional information as needed.*
- (l) *Ordering legal documents.*
- (m) *Determining whether the secured property is located in a flood zone or ordering a flood determination.*
- (n) *Participating in the loan closing.*