



Mini-Correspondent Application

SECTION 1 - APPLICANT INFORMATION

Applicant Company Name: _____
(exactly as it appears in its charter documents)

DBA/Other Names: _____

Years in Mortgage Business: _____ **Number of Branches:** _____ **Number of Full Time Employees:** _____

Applicant's Headquarters:

Address: _____

City: _____ State: _____ Zip: _____

Primary Contact Name: _____ Title: _____

Phone #: _____ Fax #: _____ E-mail: _____

Applicant Structure: C Corporation S Corp LLP LLC General Partnership Sole Proprietor

Federal Tax ID #: _____ Date of Formation: _____ State of Formation: _____

NMLS # _____ State License # _____

MERS MEMBER Yes No MERS ID# _____

If the Applicant has changed its name, list all previous legal names below:

Other Applicant Legal Name(s): _____ Time Periods Used: _____

In the last five years has the Applicant (or its predecessors) changed its legal or capital structure, state of formation or Chief Executive Offices, or entered into mergers, acquisitions or similar transactions? If so, indicate the nature of such change and the names of each company that was merged or consolidated with or acquired by the Applicant (or its predecessors) including each name under which each such company has done business and the address of each place of business of each such company immediately prior to such merger, consolidation or acquisition and within four months prior to the date of this application. Also, are there any other companies in which the Shareholders or Officers of the Applicant (or their relatives) hold any interest that are in the mortgage or real estate business or that conduct any business with the Applicant? If so, indicate the name and nature of the business.

SECTION 2 – OWNERSHIP

List all owners of more than 10% of the Applicant. (All persons named may be required to guaranty this facility, if approved.)

Name	Title	Phone	Ownership %

SECTION 3 – TYPE OF LOAN PRODUCT

Wholesale Business: _____ % First Lien Mortgages: _____ %
 Retail Business: _____ % Second Lien Mortgages: _____ %
 (Max CLTV 100%)

Production Volume (for the past two years) (\$):

Fiscal Year	Conventional	Government (FHA/VA)	Jumbo	Reverse	Other	Total
201						
201						

Projected Volume (for the next two years) (\$):

Fiscal Year	Conventional	Government (FHA/VA)	Jumbo	Reverse	Other	Total
201						
201						

SECTION 4 - AGENCIES AND PMI COMPANIES

<u>Agencies:</u>	<u>Seller #:</u>	<u>Loans Held in Portfolio:</u>	<u>Number of Loans:</u>
HUD	_____	Internal Servicing	_____
FHA (Non Supervised)	_____		
VA (Automatic)	_____		
GNMA FNMA	_____		
FHLMC	_____		
USDA	_____		
HECM (Reverse)	_____		

PMI Companies:	Contact:	Phone #:	Policy #:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SECTION 5 - OTHER WAREHOUSE FACILITIES

Company: _____ Phone #: _____

Address: _____ City: _____ State: _____ Zip: _____ Contact Person: _____

Date Approved: _____ Line Amount: _____ Pricing: _____

Current Outstanding: _____ Average Days on Line: _____

Company: _____ Phone #: _____

Address: _____ City: _____ State: _____ Zip: _____ Contact Person: _____

Date Approved: _____ Line Amount: _____ Pricing: _____

Current Outstanding: _____ Average Days on Line: _____

SECTION 6 - BONDING & INSURANCE

Bond Carrier: _____ Bond/Reference #: _____ Exp. Date: _____

E & O Insurance Carrier: _____ Policy #: _____ Exp. Date: _____

Surety Bond Carrier: _____ Bond/Reference #: _____ Exp. Date: _____

SECTION 7 – KEY PERSONNEL

	Contact	Phone #	Email
Primary Principal			
Secondary Marketing			
Production Manager			
Underwriting Manager			
Funding Manager			
QC Manager			
Shipping			

(Resumes required)

SECTION 8 - INVESTOR REFERENCES

(List all investors with whom you are approved)
(Attach supplemental pages as necessary and copies of approval letters)

Investor	Contact Name	Phone #	Email

SECTION 9 - DISCLOSURE

(Attach a separate sheet to explain in detail any "YES" response)

- YES NO 1. Has the Applicant or any other existing or former organization (an "Affiliate") owned or controlled by any owners or senior officers (collectively or individually, "Principals") of the Applicant ever been suspended from selling or servicing mortgages by an investor?
- YES NO 2. Has the Applicant, any Affiliate, any Principals or the Broker of Record ever been named as a defendant in a lawsuit for alleged fraud or misrepresentation in connection with any mortgage, loan or real estate related activity?
- YES NO 3. Has the Applicant, any Affiliate, any Principals or the Broker of Record filed for protection from creditors under any provision of the bankruptcy laws within the past seven (7) years?
- YES NO 4. Has the Applicant, any Affiliate, any Principals or the Broker of Record ever had a real estate or other professional license suspended or revoked or received any other disciplinary action from a regulatory agency?
- YES NO 5. Has any investor, lender or repurchase facility buyer enforced or attempted to enforce the repurchase or indemnification clauses of their agreements with the Applicant, any Affiliate, any Principals or the Broker of Record?
- YES NO 6. Has the Applicant, any Affiliate, any Principals or the Broker of Record ever had insurance or bonding privileges, once granted, suspended or terminated?
- YES NO 7. Has the Applicant, any Affiliate, any Principals or the Broker of Record ever been convicted of a felony or a crime involving moral turpitude?

SECTION 10 – CERTIFICATION AND ACKNOWLEDGEMENT

The undersigned Applicant and Broker of Record acknowledge that the information contained herein is true and correct and may be disclosed by Royal Pacific Funding Corporation (“RPFC”) to third parties without the Applicant’s prior permission. The Applicant acknowledges RPFC will rely on the Applicant’s representations in this application, all of which are material. Any inaccuracy or misrepresentation in this application may subject the Applicant or those signing this application to criminal and civil liability under both state and federal law, including Title 18 U.S.C. Section 1001 et seq. The Applicant authorizes RPFC and its agents to verify the information and to conduct business credit and public information source inquiries regarding Applicant. The Applicant agrees that RPFC may disclose any information developed in its quality control review investigations to third parties. The Applicant waives any and all claims for errors, omissions or inaccuracies in information developed or disclosed by RPFC. Applicant agrees to indemnify, defend and hold RPFC (and its affiliates, employees, officers, shareholders and agents) harmless for any injuries, claims or damages brought against Applicant and caused by disclosure of information by RPFC to others. Each individual executing this application on behalf of the Applicant warrants that he/she/they are authorized to execute this application on behalf of such Applicant or corporation and the application is binding on the Applicant.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

BROKER OF RECORD:

CORPORATE OFFICER OR PRINCIPAL:

Signature Date

Signature Date

Print Name Title

Print Name Title

SECTION 11 – AUTHORIZATION FOR APPLICANT CREDIT CERTIFICATION

To: Any person or firm having knowledge of activities, past or present, any credit bureau, retail merchant association, bank, financial institution, credit extending organization, law enforcement agency, any licensing or regulatory authority of any local, county, state or federal government:

I, _____, on behalf of _____ (“Applicant”), hereby authorize Royal Pacific Funding Corporation through its agents to conduct an appropriate background investigation of the Applicant including, but not limited to, personal interviews for determination of its eligibility and acceptability to enter a credit relationship with Royal Pacific Funding Corporation. I authorize all persons who may have information relevant to this investigation to disclose it to Royal Pacific Funding Corporation or its agents from time to time and on behalf of the Applicant, I release all persons from liability on account of such disclosure. I hereby further authorize that a photocopy of this authorization may be considered as valid as an original. I further certify that I am authorized by the Applicant to execute this release.

Signature _____ Date _____

Print Name: _____

Title: _____

For identification purposes:

Applicant Name: _____

DBA/Trade Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Federal Tax ID#: _____ NMLS #: _____

SECTION 12 – AUTHORIZATION FOR INDIVIDUAL CREDIT VERIFICATION
(Provide authorization for each Principal/Guarantor and Broker of Record. Attach supplemental pages as necessary)

To: Any person having knowledge of my conduct, activities or any past or present employer, credit bureau, retail merchant association, bank, financial institution, credit extending organization, law enforcement agency, licensing or regulatory authority of any local, county, state or federal government:

I, _____, authorize Royal Pacific Funding Corp. and their respective agents to conduct a background investigation of me. I authorize all persons who may have information relevant to this investigation to disclose such information to Royal Pacific Funding Corp. or its agents from time to time. I release all persons from liability on account of such disclosure. I further authorize that a photocopy of this authorization may be considered as valid as an original. I understand the investigation may include one or more consumer credit reports on me. Without limiting the foregoing, Royal Pacific Funding Corp. is also authorized to obtain one or more investigative consumer reports (“Investigative Reports”) on me from time to time. Investigative Reports may include information regarding my credit, employment status, character, general reputation, personal characteristics and mode of living or other information about me.

I understand that I have the right to make a written request for (1) the nature and scope of any investigation Royal Pacific Funding Corp. has requested and (2) a written summary of my rights as a consumer, prepared under Section 609(c) of the Federal Fair Credit Reporting Act. I may make this request within a reasonable period of time following receipt of this notice. If I do, then Royal Pacific Funding Corporation will mail or provide me with a complete and accurate disclosure of the nature and scope of the investigation (s) no later than five days after it receives my request or (if later) after the date that Royal Pacific Funding Corporation requests the Investigative Report. In addition, I will then be entitled to a written summary from the investigative agency of the rights of a consumer under Section 609(c). I understand that any information obtained by pursuant to this Authorization may be communicated among Royal Pacific Funding Corporation and its affiliates for the purpose of making a credit decision. I understand that I have the right to direct that such information not be communicated among such persons and I hereby acknowledge that I waive this right.

Signature Date

Print Name: _____

For Identification Purposes:

Date of Birth: _____ Social Security Number: _____

Address: _____

City: _____ State: _____ Zip: _____

Previous address (last 5 years):

Address: _____

City: _____ State: _____ Zip: _____

THIS FORM MUST BE NOTARIZED (Where applicable)

State of _____

County of _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20____,

by _____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Notary Public Signature

(Notary Seal)

SECTION 13 - LOAN FRAUD ZERO TOLERANCE

Each approved Repurchase Facility client ("Seller") must be aware that a licensed Mortgage Broker and/or Mortgage Lender bears the responsibility for all actions of his or her employees or licenses. The Broker is responsible for the content and quality of each application taken and each loan submitted to Royal Pacific Funding Corporation.

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE INFORMATION IS A CRIME!

Examples of Loan Fraud

1. Submission of inaccurate information, including false statements on loan application and falsification of documents, purporting to substantiate credit, employment, deposit and asset information, personal information including identity, ownership/non-ownership of real property, etc.
2. Forgery of partially or predominantly inaccurate information.
3. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
4. Lack of due diligence by Broker/Loan Officer/Interviewer/Processor, including failure to obtain all information required by the application and failure to request information as dictated by Borrower's response to other questions.
5. Unquestioned acceptance of information or documentation which is known, should be known or should be suspected to be inaccurate.
6. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant supplying different information on each application.
7. Allowing an applicant or interested third party to assist with the processing of the loan.
8. Broker's non-disclosure of relevant information.

Consequences

The effect of "Loan Fraud" is costly to all parties involved. Royal Pacific Funding Corp. stands behind the quality of its loan production and good reputation with the investors. Fraudulent loans cannot be sold into the secondary market and, if sold, will require repurchase by Seller.

The price paid by those who participate in "Loan Fraud" is even more costly. The following is a list of a few potential consequences that may be incurred:

Consequences to Lender

1. Criminal prosecution.
2. Loss of Real Estate Broker's license.
3. Loss of lender access due to exchange of information between lenders, mortgage insurance companies, including submission of information to investors, police agencies and the Department of Real Estate.
4. Civil action by Royal Pacific Funding Corporation.
5. Civil action by applicant/borrower or other parties to the transaction.
6. Termination of your Repurchase Facility.

Consequences to Borrower

1. Acceleration of debt (Fannie Mae/FHLMC Deed of Trust, revised 9/90). Item #6 states: "Borrower shall also be in default. Borrower, during the loan application process, gave materially false information in connection with the loan evidenced by the Note, including but not limited to, representations concerning Borrower's occupancy of the property as principal residence." Note: If foreclosed, the borrower will not have the benefit of reinstatement in order to cure the default. The Borrower must pay-off the loan prior to the sale date of the property.
2. Criminal prosecution.
3. Civil action by Royal Pacific Funding Corporation.
4. Civil action by other parties to the transaction, such as the Seller or Real Estate Agent/Broker.
5. Possible employment termination.
6. Loss of professional license, if any.
7. Adverse effect on credit history.

I have read the foregoing and understand Royal Pacific Funding Corporation position on "Loan Fraud".

SIGNATURE OF "BROKER OF RECORD"

SIGNATURE OF PRINCIPAL OFFICER

SECTION 14 - REQUIRED ITEMS FOR APPLICATION

1. Last two years principal company tax return with the most current interim financial statements signed by President or CFO.
2. Signed Correspondent Loan Purchase Agreement.
3. Recent bank statements. (min \$50k bal)
4. E&O Insurance and Fidelity Bond cover \$350,000.00
5. W-9
6. Resume of Principals, Partners, Operation, Underwriting and QC manager.
7. Signed Hiring Policy Acknowledgment
8. Copies of mortgage licenses and exemption letters. (if applicable)
9. Copies of all agency and investor approvals.
10. Copy of Quality Control Policy to include AIR Policy and a provision or process for resolving QC discrepancies and tracking corrective actions.
11. Results of the last Quality Control Audit with Management's response to the audit.
12. Investor report cards.
13. Copies of most recent state regulatory and HUD audit along with Company's response (if applicable)
14. Organizational chart including contact information.
15. Resumes of Principals and operational staff reflecting their current responsibilities and length of time in the Mortgage Industry.
16. Principal(s) last two years tax returns.
17. Valid State Driver's License with picture for each guarantor.
18. Anti-Money Laundering Policy executed by Principals.
19. Organizational documents for the Applicant, which should include a list of the name and title of each officer and the following:
 - a. If a Corporation: Articles of Incorporation and Bylaws
 - b. If a Limited Liability: Filed Certificate of Formation and executed Operating/LLC Agreement
 - c. If a Partnership: Executed Partnership Agreement and filed Certificates, if any
 - d. If a Limited Partnership: Filed Certificate of Limited Partnership and executed Partnership Agreement

Please send the completed application with all required documentation to:

**Royal Pacific Funding Corporation
Correspondent Division
3070 Bristol Street, Suite 400
Costa Mesa, CA 92626
Tel.: 877.267.1056**



Hiring Policy Acknowledgment

Royal Pacific Funding Corporation requires that all broker partners maintain strict hiring policies for its internal staff, including its sales and management employees to maintain the highest level of integrity of the loan packaging process. To maintain this high standard Royal Pacific Funding encourages brokers to complete background checks of each prospective candidate. Of particular importance, Royal Pacific Funding *requires* that all brokers check prospective employees through the following systems as part of their hiring process to ensure that they are not listed:

- U.S. General Services Administration (GSA) Excluded Parties List
- HUD Limited Denial of Participation List (LDP)
- Federal Housing Finance Agency (FHFA) Suspended Counterparty Program (SCP)

By signing below, you acknowledge receipt and understanding and adherence to RPFC's Hiring Policy. In addition, by your execution, you expressly agree that this agreement shall be governed by the laws of the State of California and venue in any action arising hereunder, shall at all times be necessary and proper in Orange County, California.

Print Name of Broker of Record

Print Name of Principal / Owner

Broker of Record (*Signature*)

Date

Principal / Owner (*Signature*)

Date



Correspondent Loan Purchase Agreement

THIS AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____ 20____, by and between Royal Pacific Funding Corporation. (hereinafter referred to as "RPFC") and _____ (hereinafter referred to as "Correspondent").

RECITALS

RPFC and Correspondent have agreed to enter into an arrangement in which Correspondent solicits prospective borrowers for residential mortgage loans and RPFC underwrites and, upon approval of the final loan application and related complete loan package, therefore in its sole discretion, agrees to purchase such loans at a later date, with the intention of selling such loans to investors or in the secondary market. The purpose of this Agreement is to define the duties, responsibilities and consideration of each party hereto in this arrangement.

NOW, THEREFORE, in consideration of the premises and the mutual promises set forth herein, RPFC and Correspondent agree as follows:

ORIGINATION AND PURCHASE OF MORTGAGE LOANS

1.1 Correspondent may submit applications and related loan packages for mortgage loans to RPFC and RPFC, upon receipt thereof, may, in its sole discretion, underwrite and approve such applications and related complete loan packages. Correspondent warrants that each such mortgage loan approved and purchased by RPFC shall conform in all respects to all the terms, conditions, representations, warranties and covenants contained in this Agreement. Nothing in this Agreement shall be construed as obligating RPFC to accept or approve any such application, loan package or mortgage loan. In the event a mortgage loan is approved and accepted by RPFC and closed in the name of Correspondent, Correspondent shall assign, transfer, convey and deliver the mortgage loan to RPFC (including all servicing rights relating thereto), and endorse the related promissory note, in accordance with RPFC' policies and procedures. Such endorsement and assignment shall be without recourse as to payment but subject to the representations and warranties of Correspondent contained in this Agreement. Simultaneously with the assignment thereof to RPFC, RPFC shall make payment of the purchase price for such mortgage loan to Correspondent, such purchase price to be determined in accordance with RPFC' compensation arrangements for mortgage loans as then in effect.

1.2 From time to time during the term of this Agreement, RPFC shall determine and make known to Correspondent its eligibility criteria, submission procedures and compensation arrangements for mortgage loans based on factors such as type of loan, loan limits, loan-to-value ratios, interest rates, points and fees, payment features, documentation requirements, and credit standards. These eligibility criteria, submission procedures and compensation arrangements are subject to change by RPFC from time to time upon notice to Correspondent.

1.3 RPFC shall have sole discretion in underwriting each mortgage loan submitted hereunder, and if approved by RPFC, the closing thereof shall be in accordance with RPFC' policies and procedures. Correspondent and RPFC expressly agree and acknowledge that Correspondent shall have no right, power or authority, express or implied, to approve a loan application, orally or in writing, on behalf of RPFC or to issue to prospective mortgagors any type of binding commitment to loan funds on behalf of RPFC.

REPRESENTATIONS, WARRANTIES, COVENANTS, RESPONSIBILITIES AND OBLIGATIONS OF CORRESPONDENT

As an inducement to RPFC to enter into this Agreement and to purchase loans hereunder, Correspondent makes the general and specific representations and warranties to RPFC, and its successors and assigns, set forth in this Agreement,

including those set forth below in this Section 2, and agrees to perform fully the covenants, responsibilities and obligations set forth herein and therein. All representations and warranties of Correspondent shall be deemed made as of the date hereof and as of the date on which RPFC purchases any mortgage loan hereunder.

2.1 Correspondent is a financial institution and an independent contractor, and Correspondent shall not make any representations in any manner that Correspondent is the agent, servant, employee, representative, partner or co-venture of RPFC. Correspondent shall have no authority to solicit, bind or commit RPFC to any contract or transaction, whether for placement of a loan or for any other purpose, and Correspondent shall not represent in any manner to anyone that Correspondent has any such authority.

2.2 If Correspondent is a corporation, Correspondent represents and warrants to RPFC that it is validly existing and in good standing under the laws of the State in which it is incorporated and that it is duly qualified in each State wherein such qualification is necessary. At the time of the execution of this Agreement, Correspondent agrees to provide a corporate resolution indicating that the individual(s) executing this Agreement are fully authorized by its Board of Directors to execute and deliver this Agreement on behalf of Correspondent and designating the individuals who are authorized to bind Correspondent for all mortgage loans to be purchased by RPFC hereunder.

2.3 Correspondent represents and warrants that Correspondent is duly qualified and licensed by all City, State and Federal regulatory authorities to perform any and all services, agreements and obligations hereunder and will, during the term hereof, maintain such qualifications and licenses. During the term of this Agreement, Correspondent will renew all licenses required hereunder prior to their expiration, and it will fully comply with all applicable laws, ordinances and regulations. Correspondent will immediately notify RPFC if any license is not renewed or is suspended or canceled for any reason.

2.4 Correspondent agrees to obtain descriptions from RPFC of RPFC' available loan programs, and to accurately explain such programs to prospective borrowers. Correspondent shall explain to prospective borrowers only the specific and available loan programs at current interest rates provided by RPFC. Based on proposed transactions, all federal and state disclosures in compliance with federal, state, program, agency and local law.

All fees will be properly disclosed to the Correspondent's borrower in compliance with federal, state, program all acts, regulations and local law.

2.5 Correspondent warrants that all loan applications and related loan packages submitted by Correspondent to RPFC hereunder will have been fully investigated by Correspondent, all material representations contained in such applications will have been investigated or ascertained by Correspondent in accordance with prudent underwriting practices, and will be true and correct to the best of Correspondent's knowledge, information and belief; that all documents submitted or to be submitted to RPFC are genuine; that all representations with respect to the loans are true and correct and meet the requirements and specifications of this Agreement, and the prevailing market standards; and that Correspondent shall obtain accurate and reliable credit reports from credit reporting agencies and real estate appraisals by appraisers that are approved by RPFC. All costs and expenses incurred by Correspondent including real estate appraisals, credit reports and any other costs and expenses shall be borne by the Correspondent and or the borrower, and not to RPFC.

2.6 Correspondent agrees to make prompt, timely, full, accurate and truthful disclosures to RPFC of all facts, information and documentation of which Correspondent may know, suspect or have actual or constructive notice that could or has affected the validity, collectability, security and/or enforceability of any loans to be purchased by RPFC, including all facts, information and documentation relating to any disputes, proceedings, litigation or governmental action threatened, anticipated, or pending, respecting the borrowers, the subject real property, or the loan transactions, as well as all facts, information and documentation relating to the borrowers, their creditworthiness or the value or condition of the related properties. Any alteration, deterioration, waste or destruction (complete or partial) or other damage or injury to the related property which affects its value or condition, or otherwise affects or impairs any security to be granted to RPFC or its assignees or successors, upon purchase of a loan, and any appraisal covering the related property which determines a property value lower than that previously disclosed to RPFC, or which discloses any other fact or information material to the related property or to the proposed mortgage or which has not theretofore been

disclosed to RPFC, shall be disclosed by Correspondent to RPFC immediately upon Correspondent's first ascertaining such facts or information, and, in any event, not later than Correspondent should, exercising reasonable diligence, first have become aware of such facts or information.

2.7 Correspondent warrants and represents that (a) the execution and delivery of this Agreement by Correspondent, and the obligations which it will perform hereunder, do not, and will not, violate any provision of any contract, law, rule, regulation, order, writ, judgment, injunction, decree, determination or award having applicability to Correspondent or the Articles of Incorporation, Bylaws or other organizational documents of Correspondent, nor with notice or passage of time or both, would constitute such violation; and (b) there are, to Correspondent's knowledge, no actions, suits or proceedings pending or threatened against or affecting Correspondent or the properties of Correspondent before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to Correspondent, would have a material adverse effect on the financial condition, properties or operations of Correspondent.

2.8 Correspondent represents and warrants that it shall be the owner of each mortgage loan at the time of its sale and assignment to RPFC, and no prior sale, pledge, assignment or hypothecation of any such mortgage loan, or any portion thereof, has been made to any other person or entity, except for those being released at the time of sale. Correspondent further warrants that all notes, assignments, agreements, documents and other instruments purporting to be executed by an officer, employee, representative or agent of the Correspondent are and shall be genuine, authorized, valid and binding, and shall constitute valid, binding and enforceable obligations of Correspondent.

2.9 Correspondent covenants that it will not act outside the scope of its authority hereunder and will not hold itself out to prospective mortgagors as having the authority to approve loan applications or to issue loan commitments on behalf of RPFC.

RIGHTS AND RESPONSIBILITIES OF RPFC

3.1 RPFC, in its sole and absolute discretion, may elect to accept or reject any application, loan package or mortgage loan submitted to it by Correspondent under this Agreement. All approvals and denials will be in written form established by RPFC. In no event will RPFC be deemed to have approved any loan application until receipt by Correspondent of such written approval.

3.2 The relationship between RPFC and Correspondent, as provided under this Agreement, is nonexclusive, and RPFC intends to enter into, and shall not be restricted by this Agreement from entering into, other arrangements with other correspondents from time to time in the sole discretion of RPFC and without notice to Correspondent, whether or not similar to the arrangements set forth in this Agreement. Correspondent is also free to enter into mortgage loan arrangements with other lenders from time to time, without notice to RPFC.

3.3 With its execution of this Agreement, Correspondent hereby grants permission to RPFC to verify any information regarding any loan package or documents subject to this Agreement.

3.4 Correspondent shall provide all documentation, facts, information and other assistance as may be required or otherwise requested by RPFC, relating to the origination, application, processing, funding and closing of any loans submitted by Correspondent to RPFC.

LOAN REVIEW

4.1 Correspondent acknowledges that in the course of its business RPFC may conduct quality control audits to re-verify or assure RPFC of the accuracy of the information submitted to it by Correspondent and prospective borrowers. No such audits shall relieve Correspondent of any duty or obligation hereunder, nor shall such audits or the information



obtained by RPFC as a result thereof relieve Correspondent of its obligations hereunder or constitute a waiver of any claim by RPFC arising from the inaccuracy of any warranties or representations of Correspondent hereunder.

LOAN RATES AND FEES

5.1 All loan rates and fees quoted by RPFC to Correspondent will be in a form and by a method established by RPFC from time to time. No rate quotes or "rate-locks" will be binding upon RPFC unless agreed to in writing by a designated authorized employee of RPFC.

5.2 Except for the payment to satisfy an existing loan secured by a lien on the related property, the loan proceeds are not be paid, in whole or in part, to a seller who (1) pays any compensation to or receives any compensation from Correspondent, (2) is related by common ownership or control to Correspondent, or (3) shares its profits or losses with Correspondent. The term "Correspondent" in this Agreement includes Correspondent's affiliates, partners, directors, officers, employees and agents. Correspondent's requests must be in writing, and any change to an original request submitted is the responsibility of Correspondent. Nothing in this provision is intended to preclude an employee of Correspondent, or any affiliated company, from obtaining a loan under the RPFC program.

5.3 No loan application will be submitted that has been referred or brokered to Correspondent by another correspondent who will receive any compensation from Correspondent, directly or indirectly, unless disclosed in writing to RPFC with the application and approved by RPFC.

COMPLIANCE

6.1 In general, the procedures, eligibility requirements, loan application and related forms and all other aspects of processing loans will be those required by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and Federal Housing Administration, however, RPFC may insist upon the use of alternative or additional forms and procedures. All applicable State and Federal laws and regulations will be observed, as they relate to Correspondent's activities undertaken in connection with this Agreement, and all necessary disclosures required by those laws and regulations shall be made by Correspondent including, but not limited to, the Truth-In-Lending Act (including right of rescission requirements), the Real Estate Settlement Procedures Act, the Fair Housing Act, the Fair Credit Reporting Act, the Home Mortgage Disclosure Act, and the Equal Credit Opportunity Act. Correspondent's compliance and disclosure obligations under these laws and regulations shall be limited to those that arise from Correspondent's activities undertaken hereunder. RPFC shall be responsible for providing other disclosures required by applicable law.

Provided, however, that in the event that RPFC is providing Processing Services pursuant to Section 4 of this Agreement, RPFC shall be responsible for the compliance with all laws and regulations applicable to the Processing Services.

COMPLIANCE REQUIREMENTS WITH THE MORTGAGE ELECTRONIC REGISTRATION SYSTEM

7.1 Correspondent is responsible for becoming a subscriber with MERS®. Correspondent must comply with MERS Quality Assurance procedures.

7.2 All loans purchased by RPFC will be transferred to us in the MERS® system in a timely manner.

7.3 If MERS® performs an audit of correspondent's information in their system, they are responsible for a) correcting all defects identified by MERS®, b) notifying RPFC if any of the loans sold to us have incorrect data issues, which are required to be corrected in a timely manner.

COMPLIANCE WITH CONSUMER FINANCIAL PROTECTION BUREAU (CFPB), Federal Trade Commission (FTC) and Financial Crime Enforcement Network (FinCEN)

8.1 Correspondent is responsible for complying with all federal agencies and regulations. CFPB requires that all companies involved with non-public borrower information, maintain internal policy and procedure guidelines for its staff, how to manage credentials, train staff, compliance with UDAAP, ECOA, Regulation Z, Regulation B and Regulation X. Correspondent is responsible for maintaining an internal policy and procedure manual in compliance with CFPB.

8.2 Correspondent is required to maintain identity theft and anti-money-laundering policies and procedures known as FinCEN and maintain a training program for its staff in identifying Red Flags listed on the Bank Secrecy Act Site (BSA). If Correspondent identifies a loan with money laundering or identity theft issues, they are responsible for posting their findings on the SAR System Reporting, and notifying RPFC if the loan was purchased by RPFC.

CORRESPONDENT'S REPURCHASE AND INDEMNIFICATION OBLIGATIONS

9.1 In the event a representation or warranty by Correspondent relating to a mortgage loan purchased by RPFC is determined by RPFC to have been inaccurate as of the date made, Correspondent agrees to repurchase such mortgage loan, should RPFC or the then holder of the mortgage loan so request, at a repurchase price payable in cash equal to the following (exclusive of any advances made by the servicer thereof): (i) the then unpaid principal balance of the mortgage loan, (ii) all accrued but unpaid interest on the mortgage loan at its note rate, (iii) any fee or other amount, if any, in excess of par previously paid by RPFC to Correspondent relating to such mortgage loan, and (iv) all expenses, including reasonable legal fees, incurred by RPFC or such holder relating to such repurchase, including enforcing Correspondent's obligation to repurchase. Upon payment of such repurchase price, RPFC shall endorse and assign without any recourse or warranty whatsoever, or shall cause the holder thereof to so endorse and assign, the promissory note and mortgage to Correspondent.

9.2 Correspondent herewith agrees to indemnify and hold RPFC, and its related corporations, officers, directors, shareholders, employees and agents harmless from any and all loss, injury, damage, expense and/or liability to any and all persons resulting, or claimed to have resulted, from any breach of Correspondent's covenants, responsibilities, representations or warranties under this Agreement, or otherwise arising from or relating to any acts or omissions, whether willful, negligent or otherwise, of Correspondent or its employees or agents. Such indemnification shall include, but not be limited to, interest, reasonable attorneys' fees by counsel of RPFC' and/or such other person's choice, appraisers' costs, investigators' fees, experts' fees and such other costs and disbursements as may be incurred by RPFC and such other persons in connection with such matters subject to indemnification by Correspondent, as well as any damages however assessed.

9.3 Correspondent's obligations under this Section 8 shall survive the termination of this Agreement for any reason.

9.4 Early payoff/ First payment Defaults: In the case where a loan is paid off within 6 (six) payments from the initial payment as stipulated by the Note, or where the borrower becomes a first payment default (defined as over 30 days past due on the initial payment due on the note), the correspondent shall upon demand by RPFC, refund to RPFC the equivalent amount of the secondary market premium that RPFC is required to forfeit back to the secondary market investor.

RIGHT TO SETOFF

10.1 Any money owed to Correspondent by RPFC may, at the sole discretion of RPFC, be used to setoff any monetary obligation, however arising from Correspondent to RPFC. To that end, Correspondent grants to RPFC a contractual possessory security interest in and to all monies as may from time to time be in the possession of RPFC and owed by



RPFC to Correspondent. This right of setoff may be exercised without prior demand or notice and to the fullest extent permitted by applicable law. Unless agreed to by RPFC in writing, no setoff exercised by RPFC shall be deemed or construed as an accord and satisfaction.

NON-WAIVER

11.1 No act or failure to act in the exercise of any remedy by either party hereto shall be deemed or construed as a waiver of any breach of this Agreement or right to damages or to any other remedy for any subsequent matter.

RELATIONSHIP OF THE PARTIES

12.1 It is agreed that Correspondent and RPFC are not partners or joint venturers, but shall have the status of and act in all matters hereunder as independent contractors as set forth more specifically in Section 1 above. Correspondent is not an agent or partner of RPFC, has no authority, and is intended to have no power, to create, extinguish or modify any right, obligation or liability of RPFC to any person whatsoever.

12.2 The parties agree that RPFC' agreements hereunder with Correspondent are solely with and shall be construed solely to apply to Correspondent. All discussions and representations by Correspondent to prospective borrowers shall not be binding upon RPFC. No authority is granted to Correspondent under the terms of this Agreement to make any representation to such prospective borrowers other than as expressly permitted by this Agreement.

CONFIDENTIALITY

13.1 Each party agrees it will not use for its own benefit, and will not disclose to any person or entity other than its auditors, attorneys and governmental or regulatory authorities exercising supervision over it (unless compelled to do so by a validly issued subpoena or other judicial or administrative order, and then only with prior notice to RPFC), confidential information relating to the other party which it may acquire during the term of this Agreement. The obligations of each party under this Section 12 shall survive the termination of this Agreement for any reason.

TERM AND TERMINATION

14.1 This Agreement shall be in effect for a minimum one year term commencing as of the date of this Agreement and is subject to automatic one year renewal unless RPFC receives sixty (60) days prior written notice by the Correspondent that Correspondent elects to terminate this Agreement. RPFC may terminate this Agreement upon sixty (60) days prior written notice by RPFC to Correspondent that RPFC elects to terminate this Agreement.

Such notice shall be given in the manner set forth in Section 14.4 and shall be effective as set forth therein. This Agreement shall terminate promptly upon the expiration of the sixty (60) day notice period, and may be terminated in such manner without cause and without necessity for the stating of cause. The representations, warranties and obligations of Correspondent and RPFC set forth herein shall survive the termination of this Agreement for any reason and the obligations of Correspondent with respect to all loans submitted or in process under this Agreement prior to the termination of this Agreement shall also survive such termination for any reason.

MISCELLANEOUS

15.1 This Agreement supersedes and is in lieu of all prior contracts, discussions, agreements and arrangements by and between the parties hereto with respect to the subject matter hereof, all of which are merged into it. This Agreement cannot be assigned or otherwise transferred, in whole or in part, by operation of law or otherwise, by Correspondent without the express prior written consent of RPFC.

15.2 This Agreement is binding upon and shall inure to the benefit of the successors and assigns of the parties hereto subject to the aforesaid limitation on Correspondent's right to transfer, assign or interpose other parties. Not by way of limitation or exclusion, the representations and warranties of Correspondent and its indemnification, repurchase and other obligations shall inure to the benefit of persons to whom RPFC may sell the loans purchased by it under this Agreement and such persons may assert the rights of RPFC hereunder directly against Correspondent.

15.3 This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its choice of law principles. Each party consents to the personal jurisdiction of any State or Federal Court in the City of Los Angeles, State of California. If any litigation is commenced between the parties or related to the parties to this Agreement concerning this Agreement, or the rights and duties of either party in relation thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorney's fees in such litigation or in a separate action brought for that purpose.

15.4 Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to either party hereto by the other party to this Agreement shall be in writing and shall be deemed duly served or given when personally delivered to the other party, when transmitted by facsimile and confirmed within 24 hours by telephone, when delivered by a nationally recognized overnight delivery service (such as Federal Express), or two days after deposited in the United States Mail, first-class postage prepaid, certified return receipt requested, addressed as follows (or to such other address as either party may hereafter designate): to RPFC at 3070 Bristol Street # 400, Costa Mesa, CA 92626; to Correspondent as indicated after its signature below.

15.5 This Agreement shall only be amended in writing entered into and executed by the parties.

15.6 If any portion of this Agreement shall be determined pursuant to a final and non-appealable judgment by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect without regard to such invalid or unenforceable portion.

15.7 Correspondent warrants that the information provided by Correspondent to RPFC on the Correspondent application submitted in connection herewith is true, accurate and complete. Correspondent understands that RPFC has relied on the application in deciding to enter into this Agreement. Correspondent shall immediately advise RPFC if any of the information in any application has become inaccurate to the detriment of Correspondent's financial position or ability to discharge its obligations under this Agreement.

15.8 This Agreement, which includes the correspondent application submitted by Correspondent in connection herewith, represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.



WHEREOF, the parties have executed this Agreement on the dates set below the signature of each to be effective as of the day, month, and year first above written.

CORRESPONDENT:

Name: _____

Signature: _____

Title: _____

Date: _____

Address: _____

Email: _____

RPFC:

Name: _____

Signature: _____

Title: _____

Date: _____

Address: _____

Email: _____