



### Welcome!

Thank you for your interest in becoming a correspondent with Midwest Loan Solutions (MLS). Our goal is to complete the application process within two weeks and begin your training. In order to do that, we need the completed application and all supporting documents returned as soon as possible.

Please send this information to [TPOAdministration@midwestloansolutions.com](mailto:TPOAdministration@midwestloansolutions.com). If you have any questions regarding the application or supporting documentation, please contact your Account Executive.

We are excited to have you as a TPO partner!

Sincerely,

A handwritten signature in black ink that reads "James Crowley".

**Jim Crowley**  
President

A handwritten signature in black ink that reads "Kathy Workman".

**Kathy Workman**  
VP Originations and Operations Manager



## **Application Checklist**

Review the checklist below and provide the requested documentation as it applies to your business. Contact your Account Executive (AE) if you have any questions.

**Application and Agreement** - The following documents must be executed by Correspondent owner(s). The included Corporate Resolution should be used to authorize to sign on behalf of the company.

**Correspondent Application**

**Policy Receipt and Acceptance Acknowledgement**

**Consumer Credit and Background Report Release Form**

**Corporate Resolution**

**Correspondent Agreement**

**Entity Documents** - Provide stamp-filed copies of the following as applicable. Names must match your application and license.

**Corporation - Articles of Incorporation**

**LLC - Articles of Organization or Certificate of Formation**

**Limited Partnership - LP1**

**DBA Filing** - If doing business under a name different than registered corporate name.

**Resumes for Owners and Broker of Record** - Provide a resume for each owner with 25% or more interest as well as the Operations Manager, Underwriting Manager and Secondary Marketing Manager, as applicable.

**Credit Report** - For each owner and broker of record with 25% or more interest dated within 90 days of Application. Provide an explanation for all derogatory credit.

**Current Financial Statements** - Balance Sheet and Profit and Loss Statement not older than 90 days signed by an authorized officer. If audited, no signature required. Net Worth must meet minimum state requirements.

**Audited Financial Statements for Last Two Years** - If audited financial statements are not available, provide the two most recent years signed Federal business tax returns.

**Copy of Warehouse Bank Approvals** - If applicable. If multiple warehouse lines are used, provide all agreements.

**Bank Wire Instructions** - If applicable. If multiple warehouse lines are used, provide wiring instructions for all accounts.

**Copy of E&O and Fidelity Bond Coverage** - Declarations page showing coverage amounts and expiration dates. Minimum coverage of \$300,000 each.

**Copy of Quality Control Plan** - Provide all current QC policies and procedures including guides and manuals.

**W-9 Request for Taxpayer ID Number** - Complete the enclosed IRS Form W-9 with all required information, sign and return.

Correspondent Application			
Account Executive			
Company Information			
Company Name			
Registered DBA's			
Tax ID		LEI	
Company Owner's Name			
Address			
City		State	Zip
Phone Number		Fax Number	
Company Email		Website	
Type of Entity		Home State	
Explain Other			
If Corporation			
State of Incorporation		Date of Incorporation	

Key Contacts					
Name	Title	SSN	Ownership %	Phone	Email

Affiliated Companies (if applicable)			
Company Name	Type of Business	Ownership %	Email
Company Name	Type of Business	Ownership %	Email
Company Name	Type of Business	Ownership %	Email

Production	Year-to-Date		Previous Year	
Product Type	Loan Volume	Number of Loans	Loan Volume	Number of Loans
Conventional				
FHA				
VA				
RD				
Jumbo				
CP/Renovation				
2 <sup>nd</sup> Lien				
<b>Total</b>				

License Information*		
Federal NMLS ID		
State	State License Number	License Type

**\* If more than five state licenses are held, provide an addendum listing all license states, license types and state license numbers.**

Branch 1*		
Branch Name	Phone	Contact Name
Street Address		
City	State	Zip

Branch 2		
Branch Name	Phone	Contact Name
Street Address		
City	State	Zip

Branch 3		
Branch Name	Phone	Contact Name
Street Address		
City	State	Zip

**\* If more there are more than three branches, provide an addendum listing all applicable information for each branch location.**

Company History		
Yes	No	Questions
Provide an explanation for all "Yes" answers, including the dates of any adverse actions; all parties involved, resolution of the matter; and jurisdiction where the action took place.		
		Has your company ever been suspended from selling or submitting loans to a lender?
		Has your company ever been involved or is your company currently involved in any litigation?
		Has your company and/or principals or corporate officers been named as defendant(s) in a criminal proceeding or a complaint/conviction for alleged fraud or misrepresentation in connection with any real estate related activity?
		Has your company and/or principals or corporate officers filed for protection from creditors under any provision of the bankruptcy laws within the past seven years?
		Has your company and/or principals or corporate officers ever had a real estate or other professional license suspended or revoked, or received any other disciplinary action from a regulatory agency?
		Has any lender enforced the hold harmless or repurchase clause of their correspondent or broker agreement with your company and/or any principals or officers?

**Acknowledgement**

I/we certify the above information to be true and correct. The undersigned declares that the foregoing information and all accompanying information are true to the best of his/her knowledge and belief. MLS is hereby authorized to obtain verification of information from any source, including character and credit references, for each principal in connection with this Correspondent application. The undersigned herein transfers all information to MLS.

Correspondent \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Print Title \_\_\_\_\_



# Application and Agreement - Correspondent

## **Consumer Credit and Background Report Release Form**

By my signature below, I authorize MLS to obtain a Consumer Credit Report and/or a Background Report on me. This authorization is valid for purposes of verifying information given pursuant to application to become a third party origination with MLS, or any other lawful purpose covered under the Fair Credit Reporting Act (FCRA).

The Background Check may contain information available in the Public Domain but may include interviews with persons other than previous employers or their agents. By my signature below, I hereby authorize all corporations, former employers, credit agencies, educational institutions, law enforcement agencies, city, state, county and federal courts and agencies, military services and persons to release all information they may have about me including criminal. This authorization shall be valid in original or copy form.

Applicant's Name \_\_\_\_\_

Social Security Number \_\_\_\_\_

Date of Birth \_\_\_\_\_

Current Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_



**Policy Receipt and Acceptance Acknowledgement**

By signing below, you acknowledge that you have received, understand, and agree to comply with MLS's policies, as listed below:

- Ability to Repay and Qualified Mortgages Policy
- Anti-Steering Policy
- Appraiser Independence Rules Policy
- Consumer Complaint Management Policy
- Equal Credit Opportunity Act Policy
- E-SIGN and UETA Policy
- Fair Credit Reporting Act Policy
- Fair Lending Policy
- Homeowners Protection Act Policy
- Loan Fraud Zero Tolerance Policy
- Loan Originator Compensation Policy
- Real Estate Settlement Procedures Act Policy
- Secure and Fair Enforcement for Mortgage Licensing Policy
- TILA-RESPA Policy
- Truth in Lending Policy
- Unfair, Deceptive or Abusive Acts or Practices Policy

If you have any questions regarding these policies, please do not hesitate to contact your Account Executive.

Correspondent \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Print Title \_\_\_\_\_



# Application and Agreement - Correspondent

## Corporate Resolution

I hereby certify that I am the Secretary of \_\_\_\_\_, a corporation of the State of \_\_\_\_\_, and that as such Secretary, I have custody of the records of this Corporation, and by virtue of such action, the Board of Directors passed the following resolution at a meeting dated \_\_\_\_\_, that is now in force and is not in conflict with the Charter or Bylaws of the Corporation.

Resolved, that the officers and agents of this Corporation appointed and named below are hereby authorized in the name of and on behalf of the Corporation to enter into an agreement with Midwest Loan Solutions, a wholly owned subsidiary of University Bank, ("MLS") and its operating subsidiaries to broker real estate loans, and that these individuals are each and severally authorized to sign on said agreement and on behalf of the Corporation and to effect any changes with respect thereto.

Further resolved, that these individuals are each and severally authorized to enter into commitments with the MLS and to execute any and all other documents on behalf of this Corporation.

Further resolved, this Corporation is authorized to sign an agreement as required by MLS.

Further resolved, that this authorization shall remain in force until MLS receives, at its office, a certified copy of a resolution of this Corporation to the contrary, revoking all previous authorizations heretofore given. The revocation of previous authorizations, with respect to said account, shall not affect the validity of any item signed by the person or persons at the time authorized to act.

Correspondent \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Print Title \_\_\_\_\_

In witness thereof, I have hereunto set my hand and affixed seal of the corporation this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Print Title \_\_\_\_\_





## Correspondent Agreement

This Correspondent Agreement (Agreement) is made and entered into as of \_\_\_\_\_, 20\_\_\_\_, between Midwest Loan Solutions, Inc., a Michigan Corporation, (MLS), with its principal office located at 29777 Telegraph Rd, Ste. 3580, Southfield, MI 48034, and \_\_\_\_\_ (Correspondent) with its principal office located at \_\_\_\_\_.

## **Recitals**

Whereas, MLS is engaged in the business of, among other activities, purchasing and/or funding mortgage loans on residential real estate and reselling such loans in the secondary mortgage market; and

Whereas, Correspondent is engaged in the business of taking applications for residential mortgage loans; assisting borrowers in pre-qualifying for mortgage loans; selecting a mortgage product and completing an application; processing those applications on behalf of others in exchange for a fee or other consideration; and

Whereas, during the term of this Agreement, MLS will advise Correspondent of MLS's various FHA, VA, GNMA and/or conventional mortgage loan products as well as select bond program mortgage loan products which MLS may be interested in purchasing and/or funding, and Correspondent intends, from time to time, to offer to MLS for potential purchase and/or funding certain FHA, VA, GNMA and/or conventional mortgage loans as well as select bond program mortgage loans which fall within the parameters of MLS' mortgage loan products;

Now, therefore, in consideration of the mutual agreements and covenants hereinafter set forth, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby severally acknowledged, MLS and Correspondent hereby agree as follows:

## **Definitions**

All words and phrases defined in this Article I (except as herein otherwise expressly provided or unless the context otherwise requires) shall, for the purposes of this Agreement, have the following respective meanings:

- **Agreement** means this Correspondent Agreement and any written amendments or modifications hereto.
- **Application** means the submission of a borrower's financial information in anticipation of a credit decision set forth in 12 CFR 1024.2(b) which shall be NMLS #3042 submitted on a form FMNA 1003 Uniform Residential Application. Application shall also include all supporting documentation provided in support of the Application.
- **Bond Authority** means a federal, state or local authority established for the purpose of making residential Mortgage Loans to low and moderate income borrowers and issuing bonds or other obligations to fund such loans.
- **Bond Program** means a qualified single family residential Mortgage Loan program of a local, state or federal housing authority under which residential Mortgage Loans are made available to low and moderate income borrowers at below market interest rates and/or upon other terms and conditions favorable to the borrowers.

- **Borrower** means the person or persons who submit a Mortgage Loan Application to Correspondent, receive a Mortgage Loan, and are liable on a Mortgage Note to MLS or Correspondent.
- **Closing** means the funding of a Mortgage Loan.
- **Complaint** means a consumer communication of dissatisfaction regarding a product, servicing and/or employee of Correspondent.
- **Defect** means a breach in any respect of any representation or warranty herein contained with respect to a Mortgage Loan or any failure by Correspondent to comply with any covenant or condition herein contained with respect to a Mortgage Loan which could reasonably be expected to result in a loss or damage to MLS or a subsequent purchaser of such Mortgage Loan.
- **Defective Loan** means any Mortgage Loan that has a Defect.
- **FHA** means the Federal Housing Administration.
- **FHLMC** means the Federal Home Loan Mortgage Corporation.
- **FIRREA** means the Financial Institutions Reform, Recovery and Enforcement Act of 1989.
- **FNMA** means the Federal National Mortgage Association or any successor thereto.
- **Formal Complaint** means a Complaint received via: (i) any means from any state or regulatory agency, including but not limited to Attorney General offices, Congressman offices, and the Consumer Financial Protection Bureau; and (ii) electronic mail, fax, or letter that is addressed to the Chief Executive Officer, Branch Manager, President or other member of Correspondent's senior management.
- **GNMA** means the Government National Mortgage Association or any successor thereto.
- **Mortgage** means a valid and enforceable Mortgage, Deed of Trust, or other Security Instrument creating a first or second lien upon described real property improved by a one-to-four family residential dwelling, which secures a Mortgage Note.
- **Mortgage Documents** means all documents and instruments required by MLS and applicable law pertaining to a particular Mortgage Loan.
- **Mortgage Loan** means a loan to individuals which is secured by a Mortgage and is subject to this Agreement.
- **Mortgage Loans** means each and every Mortgage Loan, which is subject to this Agreement.
- **Mortgage Loan Application** or **Mortgage Loan Applications** means an application for a Mortgage Loan processed by Correspondent in accordance with the lending requirements of MLS, including but not limited to those contained in the MLS Guide, the terms of this Agreement, all applicable governmental regulations, and the generally accepted practices and procedures within the mortgage industry.
- **Mortgage Note** means a written promise to pay a sum of money at a stated interest rate during a specified term that is secured by a Mortgage.
- **Repurchase** means the obligation of the Correspondent to purchase a Mortgage Loan from MLS which was previously transferred and/or sold to MLS by the Correspondent.
- **RESPA** means the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601, et seq.), as amended from time to time.
- **Servicing Rights** or **Servicing** means the rights, title, and interest in and to the servicing of the Mortgage Loans and the maintenance and servicing of the escrow accounts, along with the right to

receive the servicing fee income and any and all ancillary income arising from or connected with all such Mortgage Loans.

- **Underwrite** or **Underwriting** means the examination of a Borrower's application, credit history, income and financial resources for the purpose of determining whether to extend credit to such Borrower.
- **MLS Underwriting Guidelines** means the underwriting guidelines established or adopted by MLS as they may be amended, supplemented or restated by MLS from time to time.
- **VA** means the United States Department of Veterans Affairs.

### **Purchase and/or Funding of Loans**

#### Purchase and/or Funding of Loans by MLS

From time to time during the term of this Agreement, MLS will have an option to purchase and/or fund and Correspondent will have an option to sell all right, title, and interest in and to eligible Mortgage Loans and the related Servicing Rights in accordance with the terms set forth in this Agreement. Nothing in this Agreement shall be construed as obligating MLS to purchase and/or fund any Mortgage Loans. MLS in its sole discretion, reserves the right to reject any Mortgage Loan for any reason.

#### MLS Loan Requirements

From time to time during the term of this Agreement, MLS will advise Correspondent regarding the types of FHA, VA, GNMA and conventional Mortgage Loan products it is interested in purchasing and/or funding (individually a "Mortgage Loan Product" and collectively the "Mortgage Loan Products"), including, without limitation, information concerning interest rates, loan limits, loan-to-value, ratios, points, fees and underwriting requirements. Any commitment from MLS to Correspondent to purchase and/or fund any Mortgage Loan or Mortgage Loans or Mortgage Loan Applications will be issued in accordance with MLS's current lending policies and shall be in MLS's sole and absolute discretion. Such commitment must be in writing and be signed by an authorized employee of MLS and the terms of such commitment will be applicable only to the Mortgage Loan or Mortgage Loans specified therein. MLS may, in its sole and absolute discretion, cancel or discontinue any of the Mortgage Loan Products, with or without notice to the Correspondent. MLS will attempt to give advance notice of such changes but shall have no obligation to do so.

MLS will consider for purchasing and/or funding Mortgage Loans provided the following requirements are met by Correspondent:

- a) Correspondent understands and acknowledges that Midwest will only purchase and/or fund Mortgage Loans that satisfy Qualified Mortgage standards outlined in 12 CFR §1026.43;
- b) All Mortgage Loans shall meet MLS's lending requirements, contained in the MLS Underwriting Guidelines, at sole discretion of MLS;
- c) If it elects to do so, MLS will purchase or/fund Mortgage Loans according to the terms and conditions more specifically described in Addendum A;
- d) Upon payment by MLS of the purchase price for each Mortgage Loan purchased and/or funded, all rights, title and interest in and to said Mortgage Loan shall be assigned and transferred by the Correspondent to MLS free and clear of all claims, liens and encumbrances whatsoever;

- e) Each Mortgage Loan shall be transferred and/or sold to MLS on a “servicing released” basis meaning that Correspondent shall release, transfer, convey and assign in a form and manner acceptable to MLS, all of Correspondent’s rights, title and interest in and to the Mortgage Loan, including, without limitation, the right to provide mortgage servicing in connection therewith; and
- f) All FHA, VA, conventional and select Bond Program Mortgage Loans shall be closed in the name of MLS, unless another name is specifically authorized by MLS in writing in advance of closing.

### Pricing of Loans; Lock-in Rates

- a) MLS will provide price protection for the Mortgage Loans which it agrees to purchase and/or fund in the form of a written lock-in confirmation pursuant to its lock-in policies and in accordance with MLS’ lending requirements. The time at which the interest rate for a Mortgage Loan is locked in shall be at Correspondent’s option, provided, however, a Mortgage Loan with a locked in interest rate must be presented to MLS for purchase and/or funding before the expiration of the lock-in period. For purposes of the Agreement, the “lock-in period” shall be determined in accordance with MLS’s lending requirements. If a Mortgage Loan is not presented for funding by MLS within the lock-in period, such Loan may be repriced at the sole option of MLS. The transfer or sale by Correspondent of a Mortgage Loan locked in by MLS during the lock-in period to another entity, shall constitute a violation of the Agreement, and the Correspondent shall be liable, and promptly indemnify MLS, for any loss sustained as a result thereof by MLS. In addition, Correspondent shall notify MLS immediately should any commitment by MLS for a locked-in Mortgage Loan be canceled, withdrawn, or otherwise determined not to be set for purchase and/or funding by MLS.
- b) Correspondent will deliver the underwriting package to MLS no later than ten (10) calendar days prior to the expiration of the lock-in period.

### Correspondent’s Fees

Subject to all other provisions of this Agreement, Correspondent’s fee shall be payable by MLS when a Mortgage Loan is closed and funded by MLS and Correspondent has:

- a) Obtained in writing from MLS a firm commitment for MLS’s interest rate, discount rate and ancillary fees;
- b) Successfully negotiated with the Borrower(s) any fees in excess of MLS’s fees for the Mortgage Loan; and
- c) Negotiated a spread premium fee from MLS for the Mortgage Loan, if applicable. MLS’s pricing is published on a daily basis and is often adjusted several times throughout the day. All pricing is subject to change without notice and no Mortgage Loan is price protected until MLS has issued a written lock confirmation. Correspondent shall not be entitled to any fee if a Mortgage Loan does not fund, regardless of the reason. In the event that any fees negotiated by Correspondent exceed those payable under applicable law, MLS may reduce such fees to a level which is in compliance with applicable law, without notice to Correspondent. Correspondent’s fees are payable only after MLS has first deducted all of its fees and charges from the loan proceeds. If the mortgagor(s) fails to make any one (1) or more of the first three (3) mortgage payments due on his/their mortgage loan, then Correspondent shall promptly reimburse MLS for all amounts paid by MLS to Correspondent in connection with said mortgage loan.

## General Duties, Warranties and Representations of the Parties

### Duties of Correspondent

The Correspondent shall exercise its best efforts in connection with the performance of the following duties:

- a) Correspondent shall take Mortgage Loan Applications in accordance with applicable law at its offices through its employees and agents;
- b) Correspondent shall comply with all procedures established by MLS for the submission of Mortgage Loan Applications under the Mortgage Loan Programs made available to Correspondent and contained in the MLS Guide;
- c) Correspondent shall confirm whether each Mortgage Loan Application meets the terms, conditions and requirements established by MLS with respect to the Mortgage Loan Programs;
- d) After securing the requisite authority from the applicant(s), the Correspondent shall secure financial and credit information from the applicant(s) and analyze the income and indebtedness of the applicant(s) to determine the maximum reasonable Mortgage Loan obligations that the applicant(s) can bear;
- e) Correspondent shall:
  - a. Educate the applicant(s) in regard to the home buying and financing process;
  - b. Advise the applicant(s) about the different Mortgage Loan Programs made available by MLS; and
  - c. Explain to the applicant(s) how the closing costs and monthly payments would vary under the each of the Mortgage Loan Programs for which the applicant(s) may be eligible;
- f) Correspondent shall also:
  - a. Verify the employment of the applicant(s);
  - b. Verify the deposits required;
  - c. Initiate requests for mortgage loan verifications and payoffs;
  - d. Order an appraisal of the property;
  - e. Order the necessary title commitment;
  - f. Order a mortgage survey of the property;
  - g. Provide the applicant(s) with all notices and disclosures required by law; and
  - h. Assist MLS in obtaining any additional information reasonably required by MLS in order to consider the Mortgage Loan Applications and/or facilitate the closing of all Mortgage Loans;
- g) Correspondent shall communicate with the applicant(s), real estate agent(s), and MLS in an effort to keep them informed as to the status of the application and/or the Mortgage Loan transaction and any changes in the terms of a Mortgage Loan within a reasonable time, and if MLS and other lenders represented by Correspondent deny credit to the applicant, Correspondent will prepare and deliver to the applicant a denial notice meeting all requirements of applicable law;
- h) Correspondent shall assist the applicant(s) in understanding and clearing credit problems;
- i) Correspondent shall notify MLS via electronic mail sent to [compliance@university-bank.com](mailto:compliance@university-bank.com) within five (5) business days of receipt of any Formal Complaint relating to a loan application submitted to, underwritten and/or closed by MLS and provide a copy of the Formal Complaint received;
- j) Correspondent shall perform such closing services as shall be reasonably required by MLS; and
- k) Correspondent shall further: (i) maintain the confidentiality of all non-public personal information collected in connection with Mortgage Loan Applications; (ii) comply with all applicable privacy laws and other laws with respect to the completion and processing of Mortgage Loan Applications; (iii)





maintain an information security program that meets the industry standards; and (iv) originate and process each Mortgage Loan in full compliance with applicable law, the requirements of investors, and other written communications of MLS, including but not limited to those contained in the MLS Guide.

- l) Correspondent agrees that it will not use for its own benefit or the benefit of any other person or entity and will not disclose to any person or entity the confidential information relating to MLS which it has acquired or which it may acquire during the term of this Agreement.
- m) Correspondent shall immediately notify MLS of any and all employee departures and/or terminations so as to allow MLS to immediately cancel all passwords and logins for the departing employee.

### Duties of MLS

MLS shall exercise commercially reasonable efforts in connection with the performance of the following duties:

- a) MLS shall Underwrite or cause to be Underwritten every Mortgage Loan submitted by Correspondent under this Agreement, provided, however, MLS shall have no obligation to issue a commitment for, or close a Mortgage Loan which it determines, in its sole and absolute discretion, does not meet MLS's Underwriting requirements;
- b) MLS shall:
  - a. Issue a loan approval if the Mortgage Loan Application complies with all MLS requirements, including but not limited to those contained in the MLS Guide, and MLS elects to accept a Mortgage Loan Application; or
  - b. Issue a notice of rejection in compliance with applicable law if MLS determines that any Mortgage Loan Application submitted hereunder does not meet its Underwriting standards, in its sole and absolute discretion;
- c) MLS shall duly consider each and every Mortgage Loan Application submitted by Correspondent and may rely upon the materials and information supplied to it by the Correspondent as well as the authenticity and accuracy of all signatures appearing on documents and instruments delivered to MLS; and
- d) Upon the issuance of a commitment to the Borrower, MLS shall generally proceed with Closing of the Mortgage Loan in accordance with the terms and conditions set forth in the commitment to the Borrower but MLS reserves the right, in its sole and absolute discretion, to cancel the purchase and/or funding of any Mortgage Loan or Mortgage Loans for any reason which MLS determines to be material, in its sole and absolute discretion.

### Correspondent Warranties & Representations

Correspondent hereby warrants, represents and covenants to MLS with regard to each Mortgage Loan submitted to MLS for purchase and/or funding that the following are true, complete and correct in all material respects as of the date of such submission, as if such warranties, representations and covenants are again made by Correspondent on those dates and shall continue to be valid and accurate throughout the entire lending process. The representations and warranties of Correspondent set forth in this Agreement are applicable whether or not non-employee contractors are used in lieu of employees of Correspondent in fulfilling any of Correspondent responsibilities and obligations set forth in this Agreement:



- a) Correspondent is duly organized, validly existing and in good standing in each jurisdiction in which it originates Mortgage Loans delivered to MLS pursuant to this Agreement;
- b) The execution and delivery of this Agreement by Correspondent and the performance by Correspondent of the obligations to be performed hereunder have been duly authorized by all necessary Correspondent resolutions;
- c) Correspondent has complied with all applicable statutes, laws, rules and regulations, orders and decrees of all federal, state, county and municipal authorities in connection with all such Mortgage Loans, including, but not limited to all applicable federal consumer financial laws;
- d) Correspondent has qualified, registered and obtained all licenses and permits, and has taken all other requisite actions required in order to originate all Mortgage Loans delivered to MLS pursuant to this Agreement; and
- e) The execution and delivery of this Agreement and the transactions contemplated hereby are duly authorized and binding on Correspondent.

### MLS' Warranties & Representations

MLS represents and warrants that MLS possesses all necessary licenses from all regulatory authorities having jurisdiction over the Mortgage Loans to engage in the activities contemplated by this Agreement.

### Survival

All representations, warranties and covenants of Correspondent contained in this Agreement shall survive the expiration and termination of this Agreement and shall continue in effect as to each Mortgage Loan for so long as any amount due from the Borrower remains outstanding and unpaid.

### **Post-Closing Documentation**

#### Correspondent's Obligation Regarding Post-Closing Documents

Correspondent agrees that it is responsible for assisting in obtaining and delivering post-closing documents required to complete closed Mortgage Loan packages within the time frames established by MLS in its lending requirements or otherwise. MLS, in its sole and absolute discretion, may exercise its option to NOT fund a Mortgage Loan if all underwriting and/or closing conditions are not satisfied prior to funding. Correspondent understands that it is not authorized or empowered to accept or clear any lending conditions of MLS. Correspondent further understands and agrees that if Correspondent fails, neglects or refuses to obtain and deliver any post-closing documents reasonably required by MLS, MLS shall have the unilateral right to offset the reasonable costs associated with securing such post-closing documents against any amounts due Correspondent by MLS. Correspondent shall upon request from MLS, exercise its best efforts to take all actions necessary, in a timely and accurate manner, to obtain corrections to any and all loan documents deemed appropriate or desirable in MLS's sole and absolute discretion and to otherwise assist MLS in remedying any matter not in compliance with applicable law, regulations, or the requirements of MLS, including assisting MLS in obtaining recorded documentation related to a Mortgage Loan and title policies from closing agents, or to enable MLS to sell, convey, obtain guaranty for, or market loans. The failure, refusal and/or neglect of Correspondent to secure post-closing documentation in a timely manner shall entitle MLS to exercise a right of set off with respect to any amounts due Correspondent.

## **Indemnification and Repurchase by Correspondent**

### Indemnification by Correspondent

Correspondent agrees to indemnify, defend (by counsel acceptable to MLS), and hold MLS harmless from and against any and all liabilities, claims, losses, damages and out of pocket costs, including attorney's fees and court costs ("individually a "Claim" and collectively the "Claims"):

- a) Resulting from any breach of this Agreement;
- b) Resulting from any act or omission by Correspondent in connection with any Mortgage Loan subject to this Agreement;
- c) Arising from or in connection with Correspondent's use of any non-industry standard form not provided or approved by MLS in connection with any Mortgage Loan;
- d) Concerning miscalculations and other errors which result from Correspondent's independent application and processing procedures as well as for its misuse of forms required by MLS;
- e) Asserted against MLS under provisions of RESPA, including without limitation, claims based upon, or arising as a result of, any payments received by Correspondent in the nature of rate spread premium, service release premium, back points, discount points, Correspondent rebates, and the like;
- f) Incurred or paid by MLS as a result of the exercise of a right of cancellation or right of recession by any Borrower in connection with a Mortgage Loan; and
- g) Extraordinary servicing costs or carrying costs related to any Mortgage Loan as a result of any of the following circumstances:
  - a. Any breach of any representation, warranty or covenant contained herein, or any material breach of this Agreement; or
  - b. If MLS is required to repurchase any Mortgage Loan which it has sold to an investor, or which it has placed or pledged to a mortgage pool, which repurchase requirement is a result of the Mortgage Loan being classified as a Defective Loan as the result of any act or omission of Correspondent; (each a "Repurchase Event"), the Correspondent shall be obligated to promptly repurchase such Mortgage Loan. If any Claim shall be asserted or brought against MLS by reason of any such act or omission of Correspondent, Correspondent shall upon demand, obtain representation by legal counsel acceptable to MLS to defend MLS against any such Claim and Correspondent shall pay all costs and attorney's fees incurred in such defense.

### Terms of Indemnification

- a) Correspondent may be required, at MLS' option, to remit to MLS immediately upon demand a good faith advance to be applied by MLS to cover any such Claim arising from such Repurchase Event, and
- b) Correspondent may be required, at MLS' option, to remit to MLS immediately upon demand a non-refundable loan administration fee, and
- c) Correspondent shall immediately upon receipt of notice from MLS confirming the occurrence of a Repurchase Event, fully reimburse MLS for the rate premium and/or service release premium originally paid to Correspondent at the time the Mortgage Loan was purchased by MLS, whether such premium was included in the gross price paid or referenced separately, and
- d) Correspondent may additionally be required to remit to MLS immediately upon demand following a Repurchase Event, any additional amount to cover actual loss to MLS not otherwise reimbursed by





the good faith advance or loan administration fee, as outlined above. Any good faith advance and additional amounts required under a) and/or b) herein in excess of actual losses will be returned to the Correspondent upon final loss reconciliation by MLS. Correspondent agrees that its failure to comply with the terms of the indemnification sections within this Agreement shall give MLS the right to demand full repurchase of said Mortgage Loan, and upon any such demand, Correspondent shall promptly repurchase such Mortgage Loan and reimburse MLS for all costs and expenses associated therewith.

### Right of Set-off

Correspondent grants MLS the right of set-off and MLS may deduct any fees, penalties, damages, or other sums owed by Correspondent to MLS hereunder from the purchase price or loan funding of any Mortgage Loans purchased from Correspondent and/or funded by MLS. MLS may also withhold, set-off and apply any fees, expenses or other matters otherwise due and payable to Correspondent to any obligations of the Correspondent to MLS. MLS shall have the right to withhold any fees or payments until the Loan file is complete and the Correspondent has performed all of its obligations under this agreement.

### **Miscellaneous Provisions**

#### Amendment of Agreement

Except as set forth in the MLS Amendments and Website section, this Agreement may not be amended except in writing executed by authorized representatives of both Correspondent and MLS.

#### Waiver Nonbinding

The failure of MLS to insist in any one or more instances upon strict performance of any of the covenants, agreements, or conditions of this Agreement, or to the exercise of any rights hereunder, shall not be construed as a waiver or a relinquishment for the future of such covenants, agreements, conditions or rights, and any and all waivers must be in writing and be signed by the party waiving its rights.

#### No Obligations to Make Loans

Nothing contained in this Agreement shall be construed to require MLS to purchase and/or fund any Mortgage Loan or Mortgage Loans submitted by Correspondent pursuant to the terms hereof. Approval and funding of any such Mortgage Loan or Mortgage Loans shall be in the sole and absolute discretion of MLS, and said decision will be made on a loan by loan basis. Correspondent shall not be obligated to submit any particular mortgage loan applications or any minimum number of loan applications to MLS.

#### Force Majeure

Should any circumstance beyond the control of either party occur which delays or renders impossible either party's performance of their obligations herein, the performance of such obligation shall be postponed for such time as such performance has had to be suspended or delayed on account thereof or canceled if such performance necessarily has been rendered impossible by an event of force majeure. Events of force majeure shall include, without limitation, "shut downs" regardless of the cause, accidents, acts of God, labor strikes or other labor disputes, actions of regulatory and licensing agencies, and any other similar circumstance beyond the control of the parties. An event of force majeure does not relieve a party from liability for an obligation which arose before the occurrence of that event.



### No Agency or Employment Relationship

Both parties understand and agree that this Agreement does not create or establish a relationship of employer and employee between MLS and Correspondent, nor is it intended that Correspondent will be MLS's partner, joint venture partner or agent. Correspondent is an independent contractor, and is hereby expressly prohibited from holding itself out as an agent, representative or employee of MLS or of having any endorsement from or affiliation with MLS.

### Term

This Agreement is for an initial term of one (1) year and shall automatically renew for successive terms of one (1) year each, unless terminated pursuant to the Termination section below.

### Termination

This Agreement may be terminated by either party for any reason, with or without cause, breach or other justification, upon seven (7) days prior written notice, and may be terminated immediately:

- a) For breach of any covenant, obligation, or duty herein contained; or
- b) For violation of any law, ordinance, statute rule or regulation governing the conduct of either party hereto; or
- c) Upon the suspension, cancellation, or termination of any license or permit required by a party to conduct business and/or perform its obligations hereunder; or
- d) If any warranty, representation or statement made by a party to this Agreement was false in any material respect when made or furnished; or
- e) In the event a party becomes a debtor in any voluntary or involuntary bankruptcy proceeding; or
- f) In the event that a party shall become insolvent, fails to pay its debts as they become due, or makes an assignment for the benefit of its creditors; or
- g) In the event of a seizure, execution or levy upon material assets of a party; or
- h) In the event of a dissolution of a party; or
- i) Upon the sale or disposition of a significant portion of the assets or equity interests of a party; or
- j) In the event that a trustee, custodian or receiver shall be appointed in connection with material assets of a party. Termination shall not affect the obligations with respect to any Mortgage Loans submitted prior to such termination, except that MLS shall not be obligated to purchase and/or fund any such Mortgage Loans approved prior to termination if MLS terminates this Agreement for breach by Correspondent on the basis of fraud, dishonesty, misrepresentation or negligence. In addition, termination shall not affect either party's obligations with respect to amounts previously owed to the other party pursuant to this Agreement, or Correspondent's indemnification obligations to MLS.

### Current Financials & Document Retention

At MLS's request, Correspondent shall provide to MLS its year-end financial statements, including a balance sheet and income statement. If MLS acts as FHA or VA sponsor for Correspondent, copies of all closing documents for Mortgage Loans funded by MLS shall be retained by Correspondent for the time period required by FHA or VA. Correspondent is responsible for maintaining a complete origination file containing all documents that were used in processing and underwriting a Mortgage Loan.

## MLS Amendments and Website

This Agreement, and MLS's policies, procedures, requirements and instructions concerning Mortgage Loan Applications and Mortgage Loans, including but not limited to those contained in the MLS Guide, may be amended by MLS from time to time, and MLS will endeavor to provide Correspondent with prompt notice thereof, which may occur by posting any such amendments on MLS' website, which Correspondent is required to regularly check and monitor as a condition of this Agreement. Correspondent agrees that the submission of any Mortgage Loan Applications or Mortgage Loans to MLS after such amendment shall be Correspondent's agreement to the amendment without further signature or consent of any kind. Any such amendment shall apply to prior, pending, and/or future Mortgage Loan Applications submitted by Correspondent.

## Quality Control

Correspondent shall permit any officer, employee or designated representative of MLS, at any reasonable time during regular business hours, to examine, reproduce and make audits of any of the processes implemented and documents in the possession or control of Correspondent regarding any Mortgage Loan or Mortgage Loan Application submitted to MLS pursuant to this Agreement. If upon the request of MLS, Correspondent fails to timely deliver all documents and records associated with or related to any Mortgage Loan or Mortgage Loan Application submitted to MLS pursuant to this Agreement, Correspondent shall give MLS and its officers, employees, or designated representatives reasonable access to Correspondent's premises in order to allow MLS to retrieve, prepare, reproduce and otherwise obtain all such documents and records. Correspondent shall also make its officers, employees, and/or designated representatives available to MLS and shall cooperate with MLS in connection with all such examinations, audits and document and record collection activities.

Further, Correspondent hereby consents and gives MLS permission to record telephone calls between employees and independent contractors of MLS and Correspondent for quality control purposes and further, Correspondent represents and warrants that it has obtained or will obtain all required consents and approvals of Correspondent's current and future employees and independent contractors authorizing MLS to record such phone calls.

## Correspondent Advertising & Customer Privacy

Correspondent may advertise to the public the availability of various loan programs and Correspondent's services, but Correspondent may not, in any way, directly or indirectly identify MLS or related parties in any such advertising unless:

- a) Required by applicable laws or regulations; or
- b) MLS has, in advance, approved use of MLS's name by the Correspondent in writing. Correspondent agrees to provide MLS upon its request with model advertising samples in use at the time of application to do business with MLS, as well as to notify MLS with questions on any substantive changes to those advertisements, or of any new advertisements Correspondent uses. Without the prior consent of MLS, Correspondent shall not sell or distribute any customer or contact list incorporating the names, addresses or any non-public personal information of such Borrower(s) or Mortgagors.

## Entire Agreement

The arrangements and relationships contemplated in this Agreement and/or any document referred to herein constitute the sole understanding and agreement of the parties. No other or further arrangements, understandings or discussions between the parties will be considered valid unless they are in writing and executed by each of the parties, except as otherwise provided in this Agreement, this Agreement supersedes all other agreements, covenants, representations, warranties, understandings and communications between the parties, whether written or oral, with respect to the transactions contemplated by this Agreement.

## Invalidity & Severability

The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions of this Agreement, and any provision determined to be invalid and/or unenforceable by a court or tribunal of competent jurisdiction shall be revised and reformed to make such provision valid and/or enforceable, if possible, to the fullest extent permitted by law, otherwise this Agreement shall be construed as if such invalid or unenforceable provision was omitted.

## Benefit & Assignment

Correspondent may not assign its rights and/or delegate its duties and obligations under this Agreement without the written consent of MLS. MLS may assign its rights and/or delegate its duties and obligations under this Agreement to any subsidiary, affiliate or successor in interest without the consent of Correspondent. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

## Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, applicable federal laws and the laws of the State of Michigan, without reference to conflict of laws principles. The parties to this Agreement hereby unconditionally and irrevocably:

- a) Submit to the exclusive jurisdiction of the Oakland County (Michigan) Circuit Court, or in the event that original jurisdiction may be established, the United States District Court for the Eastern District of Michigan, Southern Division, sitting in Detroit, Michigan (hereinafter the "Courts"), in any action arising out of this Agreement;
- b) Agree that all Claims in any action must be decided in one of said Courts.

## Attorney's Fees

In the event a dispute arises under this Agreement between Correspondent and MLS, which dispute results in legal action being taken by one or both of the parties, the prevailing party shall be entitled to recover its reasonable attorney fees, costs and other expenses associated with the enforcement of its rights under this Agreement, and the non-prevailing party hereby agrees to promptly pay same.

## Early Payoffs

MLS is committed to the long term performance of its loans. As such, should any Mortgage Loan delivered hereunder be paid off within one hundred eighty (180) days of the funding of such Mortgage Loan for any reason, Correspondent shall promptly deliver to MLS the greater of:



- a) Any credit for the rate paid by MLS to the borrower or Correspondent, in the aggregate;
- b) 1.5% of the amount of the Mortgage Loan for conventional programs or 1.75% of the amount of the Mortgage Loan for government programs if paid off in the first 60 days following funding; or
- c) One (1%) percent of the amount of the Mortgage Loan if paid off 61-180 days following funding, whichever is greater.

### Enforceability & Construction

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end, the provisions hereof are severable. In the event any of the terms or provisions contained in this Agreement conflict with those contained in other documents executed in connection with this Agreement, the terms and provisions of this Agreement shall govern and control. In the event of any conflict, inconsistency or ambiguity between the terms of this Agreement and those contained in any Addendum hereto or Amendment hereof, the terms and conditions of such Addendum or Amendment shall be deemed to govern and control. Notwithstanding the foregoing, in the event of any conflict, ambiguity or inconsistency between the terms and conditions contained in this Agreement and those set forth in the MLS Guide, the terms and conditions of the MLS Guide shall be deemed to supersede and control.

### Counterparts & Electronic Signatures

This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute the same Agreement. The parties to this Agreement hereby further agree that due to their distant locations and/or differing schedules, this Agreement may be executed via facsimile, electronic mail or electronic signature and that a facsimile or electronic signature of this Agreement containing counterpart facsimile or electronic or other signature shall be valid and binding for all purposes.

### Notices

Any notices necessary to be given under the provisions of the Agreement will be sufficient if in writing and delivered personally, by U.S. certified mail, return receipt requested or by any nationally recognized express courier service to:

Midwest Loan Solutions, Inc.  
Attn: TPO Administration  
29777 Telegraph Road  
Suite 3580  
Southfield, MI 48034

Correspondent: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



\_\_\_\_\_  
Attention: \_\_\_\_\_

### No Third Party Beneficiaries

The parties to this Agreement do not intend to confer benefits upon any person or entity who or which is not a signatory to this Agreement.

### Time is of the Essence

Time shall be of the essence for purposes of this Agreement as well as with respect to all of the documents and instruments executed in connection herewith.

### Interpretation

This Agreement (and all agreements, documents, instruments and/or addendums referred to or incorporated into this Agreement) is being entered into among competent persons, who are experienced in business and represented by counsel, and has been reviewed by the parties and their counsel. Therefore, any conflicting or ambiguous language contained in this Agreement (and all agreements, documents, instruments and/or addendums referred to or incorporated herein) shall not necessarily be construed against any particular party as the drafter of such language.

### Waiver of Jury Trial

MLS and Correspondent acknowledge that the right to trial by jury is a constitutional one, but that it may be waived. MLS and Correspondent, after consulting counsel of their choice, each hereby knowingly and voluntarily, without coercion, waive all rights to a trial by jury of all disputes between them.

### Authorization

Correspondent hereby consents and gives MLS permission to obtain information about the Correspondent. Correspondent agrees to provide written confirmation to MLS that it has conducted background checks on any and all employees and independent contractors of the Correspondent that include, without limitation, professional history information, criminal record information, credit information and other public information. Further, at MLS's request, Correspondent agrees to provide MLS with the adjudication criteria associated with such background checks as well as the results indicating conformance to such criteria. At MLS's request, Correspondent also agrees to confirm in writing that the background checks of its employees and independent contractors produced no violation(s) of applicable agency guidelines as well as all federal, state and/or local laws by said employees and independent contractors. Correspondent consents to the release of information to regulators and law enforcement agencies about any Mortgage Loan or loan application that may be suspected to contain misrepresentations and/or irregularities. It is understood and agreed that Correspondent and its employees may be named as the originator or loan officers on such Mortgage Loans, whether or not Correspondent or its employees are implicated in any allegations of wrongdoing. Correspondent hereby releases and agrees to indemnify, defend and hold harmless MLS from and against any and all liability for damages, losses, costs and expenses that may arise from the reporting or use of any information submitted by MLS or used in any way by MLS.





# Application and Agreement - Correspondent

## Authorization Release

Correspondent hereby consents to a review and confirmation of any and all documents, records and other information related to its officers, directors, principals, and similarly situated persons with strategic decision making authority in Correspondent and Correspondent as to their and its business professional and financial reputation and standing, personal financial standing, fitness as a mortgage Correspondent, a concurrent funding broker and/or wholesale correspondent, and such other information as may be received during the review and confirmation to be provided to MLS. Every firm, company, governmental agency, court, association or institution having control of any documents, records and other information pertaining to Correspondent or any of its officers, directors, principals, and similarly situated persons with strategic decision making authority in Correspondent is hereby authorized and requested to furnish, allow to be copied or otherwise provide, information of the kind described above to MLS or its representatives, conducting the review and confirmation.

This authorization and request includes, but is not limited to, documents, records or files regarding any charges or complaints filed against any of the aforementioned individuals, including any complaints erased by law, whether formal or informal, pending or closed, and information from Interthinx, Inc. database. Correspondent specifically authorizes and requests consumer credit reporting agencies to provide personal credit history on any owner of Correspondent, executive officer of Correspondent, or similarly situated person with strategic decision making authority in Correspondent to MLS. In consideration of the time and expense incurred in reviewing and evaluating the application and qualifications of Correspondent and its officers, directors, principals and similarly situated persons with strategic decision making authority in Correspondent as to its and their fitness as a Correspondent for MLS, and to facilitate the providing of information for the review and confirmation by MLS, on behalf of the aforementioned persons and Correspondent, on behalf of itself and its officers, directors, principals, and similarly situated persons with strategic decision making authority in Correspondent, hereby releases, discharges, exonerates and covenants not to sue any person, company or governmental organization providing information in the review and confirmation, any recipient of information, including MLS, its representative, its parent, sister and affiliate companies and its and their officers, agents, employees and independent contractors, from any and all liability of every nature and kind arising from or in connection with the furnishing of information, the inspection of documents, records and other information, and the preparation of the review and confirmation of the information provided to MLS.

Wherefore, the parties hereto have executed the above and foregoing Agreement as of the day and year first above written.

Correspondent \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Print Title \_\_\_\_\_





## Application and Agreement - Correspondent

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Lender Midwest Loan Solutions, Inc.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Print Title \_\_\_\_\_





## **Addendum A**

### **Obligations and Rights of the Parties as to the Services**

Under the Wholesale Third Party Origination Agreement, Correspondent is to perform Non-Delegated Correspondent Services. MLS will be offered an opportunity to purchase each Mortgage Loan that meet the requirements set forth in the Agreement from Correspondent. If MLS elects not to purchase a Mortgage Loan, then Correspondent shall be solely responsible for deciding whether to sell a Mortgage Loan on the secondary mortgage market or retain a Mortgage Loan for its portfolio.

### **Obligations of Correspondent**

Correspondent shall perform the following services:

- a) Accept an Application from an applicant.
  - a. Prepare documents requesting information to complete the Application and assist the applicant(s) in obtaining information to complete the Application.
  - b. Process the Application.
  - c. Notify applicants of MLS's credit decision.
  - d. Prepare Documentation for Mortgage Loans that are approved by MLS and accepted by applicants.
  - e. Arrange for a Mortgage Loan closing on a mutually agreeable date.
  - f. Arrange for a life of loan flood certification service and tax service.
  - g. Perform all post-closing functions.
  - h. Arrange for the Closing Agent to disburse Mortgage Loan proceeds and borrower funds.
  - i. Arrange for the Closing Agent to timely record lien releases for paid-in-full Loans.
  - j. Record Mortgage and/or Mortgage assignments naming Mortgage Electronic Registrations Systems, Inc. ("MERS") as the mortgagee.
  - k. Register Loans on the MERS® System.
  - l. Organize and review the Essential Mortgage File Documents for completeness.
- b) Correspondent is responsible for funding each Mortgage Loan with its own funds on the Closing Date or, in the event of a loan subject to a right to cancel, on the day after it is confirmed that there was no rescission.
- c) All Essential Mortgage File Documents will state that Correspondent is the Originator and Lender. The Loan Application, Note and Mortgage shall contain Correspondent's National Mortgage Loan System (NMLS) identification number and the name and NMLS identification number of the person principally responsible for origination of the Loan.
- d) Correspondent shall ensure that all Loans conform to all federal statutes, rules and regulations and applicable state statutes and regulations with respect to the origination of Loans.
- e) After the closing of each Loan, MLS shall:
  - a. Receive an executed closing package from the Closing Agent;
  - b. Inspect the documents in the closing package for completeness; and
  - c. Evaluate whether the Closing Agent complied with the closing instructions.

### **Obligations of MLS**

- a) Underwrite Applications received from Correspondent according to MLS Underwriting Guide.
- b) Notify Correspondent of the credit decision.



## Loan Purchase Offer

MLS will have an option to purchase a Closed Loan from Correspondent under the terms set forth in the Agreement. Correspondent shall forward an offer to sell a loan together with a copy of the Note and the following documents to MLS for review no sooner than three business days after the Closing:

- a) The Essential Mortgage File Documents;
- b) A statement showing the unpaid Principal Balance and the credit limit of the Mortgage Loan, if applicable, the amount of periodic installments, and the date(s) to which principal, interest and any escrows have been paid; and, if available, a ledger card or ledger history reflecting all receipts and disbursements from the inception of the Loan, including the date of each receipt or disbursement; and
- c) A copy of the Essential Mortgage File Documents, and all other disclosures and notices prepared in connection with the Loan.
- d) Access to an electronic copy of Loan records and documents required by law, including, but not limited to, the following:
  - a. Note.
  - b. Endorsed Note.
  - c. Certified copy of Mortgage.
  - d. Certified copy of Mortgage Assignment, if any.
  - e. Recorded Mortgage.
  - f. Assignment of recorded Mortgage, if applicable.
  - g. Applicable mortgage riders, (i.e. PUD, Condo, ARM, etc.).
  - h. Review of fire and hazard insurance policies showing MLS and its successor and/or assigns as being an insured mortgagee and loss payee.
  - i. Title policy/endorsement thereto showing MLS and its successors and/or assigns as having a first lien Mortgage of record.
  - j. Private mortgage insurance commitment, if applicable.
  - k. Final Closing Disclosure.
  - l. Signed Application.
  - m. Credit documents, i.e. verification of employment, probability of future employment, verification of deposits, etc.
  - n. Original appraisal and pictures, if applicable.
  - o. Federal Truth-In-Lending disclosure statement.
  - p. Final Title Policy.
  - q. Private mortgage insurance certificate when issued.
  - r. Documentation required by the National Flood Insurance Act.

## Loan Sale

Correspondent represents and warrants to MLS, its successors and assigns, that its employees are licensed, registered, exempt from licensing, or otherwise authorized to perform Correspondent's obligations with respect to Mortgage Loans in the States where the Subject Property securing each Mortgage Loan sold under this Agreement is located.

Correspondent and MLS agree that each Mortgage Loan offered to MLS for purchase and accepted by MLS shall be sold to MLS servicing released.

On the Settlement Date for each Mortgage Loan to be purchased by MLS:

- a) Correspondent shall deliver the Note endorsed in blank (or equivalent Allonge attached to the Note) and such other documents as may be reasonably required to transfer, assign and convey to MLS all of Correspondent's right, title and interest in the Loan, and deliver all documents reasonably required to complete the transaction and qualify the Loans for sale to a secondary market buyer.
- b) MLS shall pay Correspondent the Purchase Price described in Addendum B as consideration for each Loan purchased by MLS.
- c) Electronic copies of Essential Mortgage File Documents shall be available for download by MLS for thirty (30) days following the Settlement Date.

### **Warranties as to Each Loan by Correspondent**

Correspondent makes the following warranties as to each Loan purchased by MLS:

- a) Correspondent is the sole owner of the Mortgage Loan offered for sale, and has the right to sell, transfer, and assign the Mortgage Loan on the terms herein set forth. Correspondent has not sold, assigned or otherwise transferred any right or interest in or to the Mortgage Loan and has not pledged the Mortgage Loan as collateral for any loan or obligation or other purpose. It is the express intention of the parties that the transactions contemplated by this Agreement be, and be construed as, a sale of the Loans by Correspondent and not a pledge of the Mortgage Loans by Correspondent to MLS to secure a debt or other obligation of Correspondent. The assignment of the Mortgage Loan by Correspondent to MLS validly transfers such Mortgage Loan to MLS free and clear of any pledges, liens, claims, encumbrances, mortgages, charges, exceptions and/or security interests. The Subject Property is free and clear of any pledges, liens, claims, encumbrances, mortgages, charges, exceptions and/or security interests except for items identified on the applicable Title Evidence that are expressly permitted by MLS, and except for one or more of the following "Permitted Exceptions":
  - a. The lien of current real property taxes and assessments not yet due and payable;
  - b. Covenants, conditions and restrictions, rights of way, easements, and other matters of the public record as of the date of recording acceptable to prudent mortgage lending institutions generally; and
  - c. Other matters to which like properties are commonly subject which (i) do not materially interfere with the benefits of the security intended to be provided by the Mortgage and (ii) do not affect marketability or the sale price of the Mortgage Loan, securitization of the Mortgage Loan, or otherwise affect a transfer of the Mortgage Loan;
- b) Correspondent represents and warrants to MLS, as of each Settlement Date with respect to each Mortgage Loan purchased, that MLS has conducted a reasonable inquiry (consistent with the standard of care exercised by prudent lending institutions originating assets of the type to which that representation or warranty applies) to assure the accuracy and completeness of the following statements, and the following statements are not incomplete or inaccurate:
  - a. All information furnished to MLS by Correspondent with respect to the Mortgage Loan(s) is true and correct in all material respects as of the Settlement Date;

- b. Each Note and Mortgage and the related assets are in every respect genuine, are the valid instrument they purport on their face to be, are the legal, valid, binding and enforceable obligation of the Borrower thereunder and not subject to any discount, allowance, setoff, counterclaim, presently pending bankruptcy or other defenses; none of the Notes, Mortgages, or Related Assets are forged or have affixed thereto any unauthorized signature or have been entered into by any persons without the required legal capacity; and no foreclosure (including any non-judicial foreclosure) or any other legal action has been brought by Correspondent or any senior lienholder in connection therewith;
- c. Except as has been disclosed to and agreed to by MLS in writing, there is no agreement with the Borrower regarding any variation of the interest rate and schedules of payment (except as described in the Note and Mortgage) or other terms and conditions of the Mortgage Loan, no Borrower has been released in whole or in part from liability on the Note, and no portion of the Subject Property has been released from the Mortgage;
- d. No Subject Property is subject to a ground lease;
- e. The Mortgage Loan is secured by a valid Mortgage, of the agreed upon priority, on real property containing a single family residential structure that is a fixture to the real property, and such Mortgage has been properly sent to the appropriate public recording official to be filed, recorded or otherwise perfected in due course in accordance with law applicable to the subject property;
- f. Correspondent has made all disclosures required by federal, state or local law;
- g. Correspondent holds Title Evidence, for itself, its successors and assigns, in accordance with the MLS Underwriting Guidelines. If MLS purchases a Mortgage Loan having relied on a marked-up title insurance binder or title certificate rather than a title insurance policy, Correspondent shall deliver to MLS the original title insurance policy promptly upon its receipt thereof;
- h. As of the Settlement Date, Correspondent has transferred to MLS all of its right, title and interest in the Note(s), Mortgage(s) and Related Assets for each Loan purchased free and clear of any pledge, liens, claims, encumbrances, mortgages, charges, exceptions or security interests, but subject to any permitted exceptions, if applicable;
- i. The Note and Mortgage contain customary, valid, legal and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the mortgage property of the benefits of the security provided thereby; provided that:
  - i. The enforceability of the Note and Mortgage (and, to the extent applicable, the other documents and agreements described in this subparagraph) may be limited by bankruptcy, insolvency, rehabilitation, liquidation, conservation, dissolution, reorganization, moratorium (each hereinafter referred to as "insolvency") or other similar laws affecting the enforcement of rights of creditors generally, as such laws would apply in the event of the insolvency of the borrower;
  - ii. The enforceability of the Note and Mortgage may be limited by general principles of equity (whether enforcement is sought in a proceeding in equity or at law); and
  - iii. The enforceability of certain rights and remedies provided in the Note and Mortgage are or may be unavailable or limited by certain laws and judicial decisions. In respect to such last qualification, however, none of such laws and judicial decisions will render

the Note and Mortgage invalid as a whole and, in the event of a material breach of a material covenant in the Note and Mortgage, MLS may exercise remedies that would be normally available to a secured lender;

- j. The proceeds of the Mortgage Loan have been fully disbursed according to the closing instructions at least one Business Day prior to the Settlement Date. Correspondent funded the Loan with its own funds;
- k. There are no mechanic's liens or similar liens or claims for work, labor or materials affecting the Subject Property;
- l. There is no default, breach, violation or event of acceleration existing under any senior mortgage which would constitute a default, breach, violation or, with notice, and the expiration of any grace or cure period, would authorize acceleration of the principal balance due under the Note and Mortgage;
- m. The Mortgage Loan has not been satisfied, canceled, modified, subordinated or rescinded;
- n. The Mortgage Loan complies with all of MLS's Underwriting Standards; and
- o. The Loan is in compliance with the Federal National Mortgage Association's Anti-Predatory Lending Policies.