RESIDENTIAL BANCORP
YOUR MORTGAGE TEAM

THIRD PARTY ORIGINATOR ("TPO") APPLICATION & WHOLESALE BROKER AGREEMENT

Please review the checklist below and provide the documentation requested if it applies to your business. If you have any questions regarding this application please contact your assigned Account Executive.

☐ **Broker Application –** Complete and sign the application and include all documentation requested in this checklist. You must include at least three (3) lender references. Only complete applications will be processed. **Broker of Record and Principals must sign the "Loan Fraud" Zero Tolerance and Wholesale Broker Agreement**.

☐ **Broker Compensation Addendum –** Complete the Broker Compensation Addendum and include it with your package.

☐ **Authorization Form –** Broker of Record and each Principal must sign the Credit Authorization.

☐ **W-9 Request for Taxpayer ID Number –** Complete the enclosed IRS Form W-9 with all required information, sign and return to Residential Bancorp ("Lender") with your package. The address on W-9 must match address on broker's license.

☐ **Organizational Documents:**
- ☐ **Corp:** Articles of Incorporation and By-laws
- ☐ **LLC:** Articles of Organization and Operating Agreement
- ☐ **LP:** Certificate of Limited Partnership and Limited Partnership Agreement
- ☐ **GP:** Formation of Partnership and Partnership Agreement

☐ **DBA filings/Amendments** All DBA filings for subsidiaries and Amendments to Organizational documents if applicable (Names must match your application and license).

☐ **Resumes for Owners, Principals and Key Employees –** Please provide a resume for each principal owner, majority stockholder and key employees whose knowledge is relied upon to run the day-to-day operations, and loan originations.

☐ **Current Financial Statements –** Please provide current financial statements (prior quarter's balance sheet and P&L) signed by an authorized officer.

☐ **License/Approvals –** A copy of your professional license, broker's license, lender's license, etc., must be included with your application. HUD approved brokers must include their HUD approval letter. License must have the name of the business or owner's name, be active, and have an address matching that on the IRS Form W-9 (provided). An expired license will delay the approval process. We will also need a list of your Loan Officers with their NMLS numbers.

☐ **Broker Disclosures** – Your Company must complete the Disclosures section on page 7 of this application and provide detailed responses with supporting documentation for any questions to which a "Yes" response is provided.

☐ **Errors & Omissions and Fidelity Bond Insurance –** If you have a current E&O policy or a Fidelity Bond in effect, please provide a copy of the policy or bond declaration page. Include the name, address and phone number of the issuing insurance company and agent.

☐ **Quality Control –** Please provide your quality control plan as well as any QC results with responses and remedial action.

Completed Packages - After completing your application, reviewing the Broker Package Checklist and providing all documentation required, you may return your completed package to your Account Executive, or send your completed package to:

Residential Bancorp
Attn: Broker Approval Department or brokerservices@bancorp.com
22632 Golden Springs Dr., Ste. 200
Diamond Bar, CA 91765

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COMPANY INFORMATION, and TRADE NAMES (DBA'S) *(Please attach additional sheet if necessary)*

Business Name:_____

DBA FULL NAME (No Abbreviations)	STATE

State Lic. # of Main Office: _____ Exp. Date: _____ Comp. NMLS: _____

Referred By (Account Executive):_____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____ E-Mail: _____

Number of Years Originating Loans: _____

Broker of Record: _____ Phone: _____

BUSINESS TYPE

☐ Mortgage Broker ☐ Mortgage Banker ☐ Bank/ S&L ☐Credit Union

BUSINESS ENTITY TYPE

☐Sole Proprietorship ☐Partnership ☐C Corp ☐S Corp ☐LLC ☐Other _____

FILING INFORMATION

Date Company Formed/Incorporated: _____ State: _____

Company TIN/FEIN/SSN: _____

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PRINCIPALS (Please list all Owners with a 5% or greater interest. Attach additional sheets if necessary)

Name: _____ Title: _____

Percentage of Company Owned: _____ SSN: _____ DOB: _____

Residence Address: _____

Phone: _____ Fax: _____ E-Mail: _____

Name: _____ Title: _____

Percentage of Company Owned: _____ SSN: _____ DOB: _____

Residence Address: _____

Phone: _____ Fax: _____ E-Mail: _____

AFFILIATED COMPANIES *(for additional Affiliated Companies, attach additional sheet if necessary)*

Name of Related Company: _____ Phone No.: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Type of Business/Relationship:_____ Percent Ownership: _____%

Name of Related Company: _____ Phone No.: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Type of Business/Relationship:_____ Percent Ownership: _____%

BRANCH LOCATIONS *(Please List ALL branches in every state you are currently licensed in (if more space is required, please use additional sheets and include a copy of current license for each state listed above):*

Branch Name: _____ License # _____

Contact Person: _____ Title: _____

Address: _____

Phone #: _____ Fax #: _____

Branch Name: _____ License # _____

Contact Person: _____ Title: _____

Address: _____

Phone #: _____ Fax #: _____

Branch Name: _____ License # _____

Contact Person: _____ Title: _____

Address: _____

Phone #: _____ Fax #: _____

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STATE LICENSING (*Please check all states that apply and provide copies of licenses)*

☐AL ☐AK ☐AZ ☐AR ☐CA ☐CO ☐CT ☐DE ☐DC ☐FL ☐GA ☐HI ☐ID ☐IL
☐IN ☐IA ☐KS ☐KY ☐LA ☐ME ☐MD ☐MA ☐MI ☐MN ☐MS ☐MO ☐MT ☐NE
☐NV ☐NH ☐NJ ☐NM ☐NY ☐NC ☐ND ☐OH ☐OK ☐OR ☐PA ☐RI ☐SC ☐SD
☐TN ☐TX ☐UT ☐VT ☐VA ☐WA ☐WV ☐WI ☐WY

Company NMLS Number: _____

AGENCY APPROVAL (If agency approved by any of the following, please complete)

☐ FHA/HUD #: _____ Date Approved: _____

☐ Fannie Mae #: _____ Date Approved: _____

☐ Veteran's Affairs #: _____ Date Approved: _____

☐ Freddie Mac #: _____ Date Approved: _____

☐ Ginnie Mae#: _____ Date Approved: _____

FHA/HUD approved, does company have Direct Endorsement (DE) Authority / Full-Eagle?
☐ No ☐ Yes, Date Approved: _____

FHA DE approved, does Company handle the submission of FHA MIC documentation at Post-closing?
☐ No ☐ Yes, Date Approved: _____

VA approved, does Company have Automatic and LAPP/SAR Underwriting Authority?
☐ No ☐ Yes, Date Approved: _____

ORIGINATION AND PROCESSING METHOD (check all that apply)

Origination Method: ☐ Internet ☐ TPO ☐ Retail ☐ Other: _____

Processing Method: ☐ In-house ☐ Outsource -- *if outsourced, please list:* _____

BROKER OF RECORD INFORMATION

Broker of Record: _____ SSN#_____

Broker NMLS #: _____

Home address (no P.O. Boxes): _____

City, State, Zip: _____

Phone: _____ Fax: _____ E-Mail: _____

Are you currently acting as Broker of Record for any company other than the one associated with this application?
☐ Yes ☐ No - If yes, please list the name and address of each company. (Please attach additional sheets if necessary)

Name:_____

Address:_____

Name:_____

Address:_____

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BROKER'S EDUCATION

Course Name: _____

Certificate No.: _____ Date Completed: _____

Course Name: _____

Certificate No.: _____ Date Completed: _____

Course Name: _____

Certificate No.: _____ Date Completed: _____

LENDER REFERENCES *(Please list a minimum of 3 lender or investor references, attach additional pages if necessary)*

Lender Name: _____ Phone Number: _____

Contact Person: _____ Title: _____

Lender Name: _____ Phone Number: _____

Contact Person: _____ Title: _____

Lender Name: _____ Phone Number: _____

Contact Person: _____ Title: _____

RESOURCES

What processing software do you use (include name and version)? _____

Do you currently use Fannie Mae's Desktop Underwriter to approve loans? ☐ No ☐ Yes

Do you currently use Freddie Mac's Loan Prospector? ☐ No ☐ Yes

PRODUCTION (for the Past 12 Months)

Government Fundings: _____ Average Loan Amount: _____

Conventional Fundings: _____ Average Loan Amount: _____

Jumbo Fundings: _____ Average Loan Amount: _____

2nd Trust Deeds Fundings: _____ Average Loan Amount: _____

WAREHOUSE / CREDIT LENDERS *(If Applicable)*

Name: _____ Amount: _____ Renewal Date: _____

Name: _____ Amount: _____ Renewal Date: _____

Name: _____ Amount: _____ Renewal Date: _____

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CONTACT INFORMATION

Office Manager: _____ E-Mail: _____

Phone: _____ Fax: _____

Processing Manager: _____ E-Mail: _____

Phone: _____ Fax: _____

Accounting: _____ E-Mail: _____

Phone: _____ Fax: _____

The Additional Statement and Miscellaneous information sheets are herein incorporated as part of the TPO Application. All declarations and authorizations apply as part of the original TPO Application.

INSURANCE (*Please provide the following information on insurance coverages of the Client).*

Fidelity Bond Policy Information

Provider	Policy Number	Coverage Amount	Deductible	Expiration Date of Policy

Errors & Omissions Policy Information

Provider	Policy Number	Coverage Amount	Deductible	Expiration Date of Policy

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DISCLOSURES

For questions 1-7 below, if you answer yes to any, provide on a separate addendum an explanation, including the dates of any adverse actions, all parties' names, resolution of the matter, case or file numbers, and jurisdiction and administrative body where the action took place.

1. Has your company ever been suspended from selling or submitting loans to a lender? ☐ No ☐ Yes

2. Has your company, and/or principals or corporate officers, ever been named as defendant in a lawsuit for alleged fraud or misrepresentation in connection with any real estate related activity? ☐ No ☐ Yes

3. Has your company ever been involved or is currently involved in any litigation? ☐ No ☐ Yes

4. Has your company, and/or principals or corporate officers, been named as defendant in a criminal proceedings or a complaint/conviction for alleged fraud or misrepresentation in connection with any real estate related activity? ☐ No ☐ Yes

5. 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? ☐ No ☐ Yes

6. Has your company, and/or principals or corporate officers, ever had a real estate or other professional license suspended, revoked or received any other disciplinary action from a regulatory agency? ☐ No ☐ Yes

7. Has any lender enforced, or attempted to enforce, the hold harmless or repurchase clause of their correspondent or broker agreement with your company and/or any principals or corporate officers? ☐ No ☐ Yes

8. Does any employ involved in loan originations with Company currently or in the past appear on any Investor or Agency exclusionary lists, or HUD's Limited Denial of Participation (LDP) List? ☐ No ☐ Yes

For the purpose of inducing Lender to provide financing for customers of the undersigned, 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. Residential Bancorp is hereby authorized to obtain verification of information from any source (including character and credit references) and obtain a personal credit report for each principal in connection with this Third Party Originator (TPO) application. The undersigned herein transfers all information to Lender, and Lender is further authorized to update my/our credit report four times per year and maintain a history for review by lenders accepting the Lender TPO Certification Program.

_____
Signature of Broker of Record

_____ _____ _____
Print Name Title Date

_____
Signature of Principal/Corporate Officer/Member/Partner

_____ _____ _____
Print Name Title Date

_____
Signature of Principal/Corporate Officer/Member/Partner

_____ _____ _____

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Print Name Title Date

RESIDENTIAL BANCORP
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BROKER AUTHORIZATION

WHEREAS,_____("Company") and

_____ ("Broker") have determined that it is in both parties best interest to participate in Residential Bancorp's TPO Approval Program;

By signing below, Broker hereby unequivocally consents to act as Broker of Record ("Broker") for Company, in connection with the application submitted herewith for the TPO Program. Broker further acknowledges that Broker possesses all licenses' and permits necessary to carry out the mortgage lending activities as contemplated herein. Furthermore, Company and Broker adopt the standard application process contained in the Program.

Pursuant to this authorization, Broker, as the licensed officer of Company, shall remain a responsible party, in addition to any other responsible parties of Company, until such time as Broker notifies Lender in writing that Broker will cease to act as Broker of Record for company.

Furthermore, Broker hereby covenants and agrees that all payments, as more specifically described in the Agreement, shall be payable to Company.

_____
Signature of Broker of Record

_____ _____
Print Name Date

RESIDENTIAL BANCORP
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CORPORATE RESOLUTION

(CORPORATIONS)

WHEREAS,_____("Company") has determined that it is in the best interest of Company to participate in Residential Bancorp's TPO Approval Program. The undersigned, _____, Secretary of Company, a_____, corporation, does hereby certify that the following is a true and correct copy of the resolution adopted at a meeting of the Board of Directors of the corporation on,_____, 20_____ and that said resolution remains in full force and effect.

RESOLVED, that in connection with the application submitted herewith for the TPO Program, that the proper Officer(s) of Company be, and hereby are, authorized, empowered and directed to execute for and on behalf of Company the Agreement, as attached hereto, by and between LENDER and Company to transact the proprietary business of originating and selling of mortgage loans from this day, henceforth;

RESOLVED FURTHER, that the proper Officer(s) of Company be and they hereby are, authorized, empowered and directed to execute and deliver such further instruments, certificates, letters and all other documents and other papers and generally to do such acts and take such other action as they deem necessary or advisable in order to carry out and perform the purposes and intent of this resolutions;

IN WITNESS THEREOF, I have hereunto set my hand and affixed seal of the corporation this _____ day of _____, 20_____.

_____
Signature of Secretary

Corporate Seal Here

_____
Print Name

_____
Date

PRINCIPAL/PARTNER/MEMBER AUTHORIZATION

(SOLE PROPRIETORSHIP / PARTNERSHIP / LLC)

WHEREAS,_____ ("Company") has determined that it is in Companies' best interest to participate in Residential Bancorp's TPO Approval Program;

I, _____, am a Principal/Partner/Member of Company and hereby are authorized, empowered, and directed to execute for and on behalf of Company, contracts as contemplated herein and by affixing my signature below, hereby bind Company and all Principals/Partners/Members as though they had signed themselves.

_____
Signature of Principal/Member/Partner

_____
Print Name

_____
Date

RESIDENTIAL BANCORP
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CREDIT AUTHORIZATION

A consumer credit report is required to complete the Broker Approval process. Each Principal, Owner, and Broker of Record must sign the following Credit Authorization. Names of all Principals with a five percent (5%) or greater equity holding must also be listed on the TPO Application form contained in this application package.

By signing below, each of the undersigned hereby unequivocally consents to Residential Bancorp obtaining verification of information from any source (including but not limited to character and credit references) and obtain a personal consumer credit report in connection with this TPO application. Such authorization shall remain in full force and effect until such time as Lender is notified in writing that such authorization is rescinded.

Broker of Record and Principals may provide a copy of their own credit report dated not more than 90 days prior to the receipt of this application. Notwithstanding, Residential Bancorp, in its sole discretion, reserves the right to request or obtain a current credit report upon review of the one provided.

Signature of Principal/Corporate Officer/Member/Partner	Print Name and Title	Date
Signature of Principal/Corporate Officer/Member/Partner	Print Name and Title	Date
Signature of Principal/Corporate Officer/Member/Partner	Print Name and Title	Date
Signature of Principal/Corporate Officer/Member/Partner	Print Name and Title	Date
Signature of Principal/Corporate Officer/Member/Partner	Print Name and Title	Date

RESIDENTIAL BANCORP
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"LOAN FRAUD" ZERO TOLERANCE

"Loan Fraud" Zero Tolerance Agreement

All Loan Officers must be aware that the Company, Broker, and Principal(s) bear the responsibility for all actions of its employees or licensees'. The Loan Officer is responsible for the content, quality and accuracy of each application taken and each loan submitted to Residential Bancorp.

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

TYPES OF LOAN FRAUD

1. Submission of inaccurate information, including false statements on loan application(s) and falsification of documents purporting to substantiate credit, employment, deposit or asset information, personal information including identity, ownership/non-ownership of real property, etc.
2. Forgery of partially or predominantly accurate information.
3. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument or occupancy affidavit;
4. Lack of due diligence by loan officer/interviewer/processor, including failure to obtain all information required by the application and failure to request further 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.
   a. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant supplying different information on each application.
   b. Allowing an applicant or interested third-party to "assist" with the processing of the loan.
6. Loan Officer's non-disclosure of relevant information.

CONSEQUENCES

The effect of "Loan Fraud" is costly to all parties involved. Residential Bancorp stands behind the quality of its loan production. Fraudulent loans cannot be sold into the secondary market and, if sold, could require repurchase by Residential Bancorp. Fraudulent loans damage our reputation with our investors and mortgage insurance providers, and could cause Lender's selling and/or servicing privileges to be suspended and/or terminated with their investors. The price paid by those who participate in "Loan Fraud" is even more costly. The following is a list of a few of the potential consequences that may be incurred:

CONSEQUENCES TO COMPANY

1 Criminal prosecution.
2 Loss of state licensing to perform mortgage loans.
3 Loss of lender / investor access due to exchange of information between lenders, mortgage insurance companies including submission of information to investors, police agencies, and state regulating agencies.
4 Civil Action by applicant/borrower or other parties to the transaction.
5 Agreement to indemnify and hold harmless Residential Bancorp.
6 Loss of HUD approval.
7 Loss of funding facilities.

CONSEQUENCES TO LOAN OFFICER

1 Criminal prosecution.
2 Civil action by Residential Bancorp.
3 Civil action by other parties to a Transaction, such as borrower, seller or real estate agent/broker.
4 Agreement to indemnify and hold harmless Residential Bancorp.
5 Employee termination.
6 Loss of NMLS and/or professional license, if any.
7 Adverse effect of credit history.

I have read the foregoing and understand Residential Bancorp's position on "Loan Fraud."

Signature of Principal/Corporate Officer/Member/Partner	*Printed Name*	*Date*
Signature of Broker of Record	*Printed Name*	*Date*

RESIDENTIAL BANCORP
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ANTI-MONEY LAUNDERING CERTIFICATION

Money laundering and other financial crimes are monitored and enforced by the Financial Crimes Enforcement Network ("FinCEN"). FinCEN is a bureau of the United States Department of the Treasury. FinCEN's mission is to safeguard the financial system form illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

FinCEN exercises regulatory functions primarily under the Currency and Financial Transactions Reporting Act of 1970, as amended by Title III of the USA PATRIOT Act of 2001 and other legislation, commonly referred to as the "Bank Secrecy Act" ("BSA"). The BSA authorizes the Secretary of the Treasury to issue regulations requiring banks and other financial institutions to take a number of precautions against financial crime, including the establishment of anti-money laundering ("AML") programs and the filing of reports, including Suspicious Activity Reporting ("SAR") that have been determined to have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings, and certain intelligence and counter-terrorism matters.

FinCEN expanded the SAR filing requirements to include Residential Mortgage Lenders & Originators, effective August 2012. As such, Residential Bancorp is required to comply with the BSA requirements for filing of SARs. As Residential Bancorp's business partner, it is important that You are familiar with these requirements. Enclosed with this Broker Application, is a copy of Residential Bancorp's AML training for Your review.

By my signature below, I certify that I have received and reviewed Residential Bancorp's AML training materials.

_____	_____	_____
Signature of Principal/Corporate Officer/Member/Partner	*Printed Name*	*Date*
_____	_____	_____
Signature of Broker of Record	*Printed Name*	*Date*

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RESIDENTIAL BANCORP
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WHOLESALE BROKER AGREEMENT

This Wholesale Broker Agreement ("Agreement") is entered into by and between Residential Bancorp, an Ohio corporation (hereinafter referred to as "Lender") and its affiliates and/or assigns, and _____, a _____ (state of formation) _____ (form of entity) (hereinafter referred to as "Broker") as of this _____ day of _____, 20_____ with reference to the following:

RECITALS

A. WHEREAS, the parties wish to establish a nonexclusive relationship whereby Broker will, from time to time and at its option, submit completed application packages for mortgage loans ("Loan" or "Loans") to Lender on behalf of Broker's clients ("Borrowers") for possible funding.

B. WHEREAS, the parties now desire to enter into this Agreement to set forth the terms of their relationship.

NOW, THEREFORE, in consideration of the mutual promises and covenants the receipt and sufficiency of which are hereby acknowledged, and agreements hereinafter set forth, the parties hereto agree as follows:

COVENANTS AND AGREEMENT

1. **General Broker Responsibility Fees**. Broker will at Broker's sole expense perform those services listed on Exhibit "A" to this Agreement in consideration for the fees set forth therein. The contents of all Loan packages and other information submitted to Lender immediately shall become the property of Lender, and all information contained therein may be subject to Lender's independent verification. No fee shall be owed to Broker on account of any proposed Loan which is not funded and closed, and Lender shall have no obligation under this Agreement to Broker if a Loan fails to close and fund, for any reason whatsoever.

2. Loan Approval. Lender shall make available to Broker product descriptions of the various wholesale lending programs being offered by Lender from time to time. Such descriptions shall not be binding upon Lender. Loan approval shall be within Lender's sole discretion. Broker shall not represent to any party that Lender has approved or will approve any loan until Broker is so informed by Lender in writing. Lender shall reserve the right to decline any loan after approval and prior to funding if Lender, in its sole discretion, determines that funding the loan represents a risk of loss to Lender. All Loans shall close in Lender's name. All appraisals must be ordered in conformance with Appraisal Independence Requirements ("AIR") through the Lender approved Appraisal Management Company ("AMC") to ensure appraiser independence.

REPRESENTATIONS AND WARRANTIES

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

3.1 Authority and Capacity. Broker is a duly organized and validly existing entity in good standing under applicable laws of the State of _____ and is properly licensed and registered in such state or other states in which it is engaged in the business of originating mortgage loans, and that it has the requisite authority and capacity to enter into this Agreement and the Agreement has been duly authorized, executed and delivered by Broker and constitutes a valid and binding obligation of Broker, enforceable in accordance with its terms. Broker's compliance with the terms and conditions of this Agreement will not violate any provisions of its character documents, any instrument relating to the conduct of its business, or any other agreement, law or regulation to which it may be a party or under which it may be governed.

3.2 No Untrue Statements. None of the statements or information contained in any document submitted with or included as part of the application package, or in any document reviewed in connection with Lender's underwriting decision, contains or will contain any misleading, false or erroneous statements, or omit material facts necessary to make such statements or information accurate and understandable in every respect. BROKER UNDERSTANDS THAT BY MAKING THE WARRANTY CONTAINED IN THIS SUBPARAGRAPH 3.2 IT IS WARRANTING THE ACCURACY OF ALL INFORMATION CONTAINED IN ANY LOAN PACKAGE SUBMITTED TO LENDER, WHETHER OR NOT SUBMITTED BY BROKER AND WHETHER OR NOT BROKER HAS KNOWLEDGE OF, OR REASON TO SUSPECT, ANY INACCURACY.

3.3 Absence of Claims. Except as previously disclosed by Broker to Lender in writing, there is no pending or any threatened suit, action, arbitration, or legal, administrative, or other proceeding or investigation (including an allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees which could have a material adverse effect on the Broker's business, assets, financial condition, or reputation, or upon any Loan submitted for funding, or previously funded, by Lender. Broker further agrees to notify Lender within 7 business days of any occurrence described above.

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

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

3.6 Ownership. Broker, or any immediate family member, has no direct or indirect ownership interest in any property acting as security for the Loan, or affiliation or relationship with any other party having a financial interest in the Loan or the Loan transaction.

3.7 Compliance with Laws. Broker and each other person involved in the Loan transaction has complied and will comply with all applicable state and federal laws with respect to the Loans and the activities of Broker. The Broker and each other person involved in the Loan transaction is in full compliance in all respects with all rules and regulations of all real estate and mortgage lending regulatory and supervisory agencies as are applicable to Broker and such person(s), and broker and all such person(s) are presently in good standing with, and hold all licenses and approvals required by, such agencies. Broker covenants to maintain all licenses and approvals on a current basis and to keep itself in good standing with such agencies. Broker further covenants to notify Lender immediately upon the suspension, revocation, expiration or other termination of any licenses or approvals, or of the taking of any action by any such agency against Broker or such person(s), which could adversely affect the Broker's licenses and approvals.

3.8 Broker Compensation. Broker shall be compensated for all loan transactions that are approved, and subsequently funded in accordance with the then current Broker Compensation Addendum for Broker. Broker hereby agrees that Broker shall not be entitled to any additional compensation or reimbursement from Lender, and that Broker shall be responsible for all fees and expenses incurred by Broker in the origination of any proposed loan transaction, including but not limited to loan transactions that are declined by Lender.

3.9 Services to Borrower. At all times during the term of this Agreement, with respect to each Borrower whose application has been submitted to Lender, Broker has observed and shall observe and fully discharge the fiduciary duties owed by mortgage brokers to their clients under applicable Federal, state and local laws and regulations. In particular, and without limitation to the foregoing, whenever required by such fiduciary duty, Broker, its employees and/or agents has provided to Borrower any requisite disclosures, including, without limitation, Anti-Steering Safe Harbor and DRE Form 883. In addition to having assisted Borrower in the completion of his or her loan application, Broker has fully and satisfactorily performed at least five of the services set forth on Exhibit "A." All services were performed to the full satisfaction of Borrower and in accordance with accepted and customary standards in the mortgage lending industry generally, and Broker is not aware of any dispute or claim by any borrower that all such services were not fully and satisfactorily performed.

3.10 No High Cost Mortgages. Broker agrees that no Loan meets the definition set forth in Section 226.32(a) of, or is otherwise subject to the provisions of Section 226.31 and Section 226.32 set forth in, Regulation Z promulgated by the Federal Reserve Board under the federal Truth in lending Act. Based upon borrower's credit, income, debts and financial condition, Broker believes that Borrower has the ability to repay the Loan in accordance with its terms. The Borrower has not signed a letter or otherwise notified Broker in connection with the Loan application that Borrower is unable to repay the Loan in accordance with its terms.

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

BROKERS REPURCHASE OBLIGATIONS

5.0 Broker Repurchase and/or Indemnification. Broker understands that Lender intends to sell or securitize all closed loans in the secondary market. Broker represents and warrants the that each loan is originated in accordance with the terms of this Agreement, along with the guidelines, policies and procedures required by the Federal National Mortgage Associations ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), Federal Housing Administration ("FHA"), Veterans Administration ("VA"), Government National Mortgage Association (GNMA"), and United State Department of Agriculture ("USDA")

(hereinafter collectively referred to the "Agencies"). Based upon a breach of such conditions, an investor may require Lender to indemnify and/or repurchase the investor's interest in loan, and Lender will in turn require Broker to indemnify and/or repurchase, under the following conditions:

I. **First Payment Default**. In respect to any loan funded by Lender which was originated by Broker, if the first payment due to Lender or the investor is not received from the borrower directly by the last day of the month in which it is due; A payment for which Lender may have deducted funds at the time of closing the loan shall not be considered the first payment due to Lender or the investor; or

II. **Early Payment Default**. In respect to any loan funded by Lender which was originated by Broker, if the first Six (6) payments due to Lender or the investor is not received from the borrower directly in accordance with the following schedule:
   a) Payments 2-4. In the event the second, third or fourth payments due under the Loan are not received within Sixty (60) days of the due date;
   b) Payment 5-6. In the event the Fifth or Sixth payments due under the Loan are not received within Ninety (90) days of the due date;

III. **Fraud or Misrepresentation.** In the event that Lender or the Agencies determine that there is any evidence of fraud or misrepresentation in the origination of the Loan, including but not limited to the following circumstances:
   a) Any party involved in the Loan transaction made false warranties or representations regarding Loans, or failed to disclose information relevant to the loan approval decision.
   b) Any party involved in the Loan transaction failed to provide Lender with information that is true, complete, and accurate concerning the mortgage;
   c) Any party involved in the Loan transaction violated or failed to comply with any applicable law designed to protect the health and safety of the mortgaged premises' occupants;
   d) The borrower or any other party in the mortgage transaction has made any false representation in conjunction with such transaction, whether or not Lender or Broker was a party to or had knowledge of such false representation;
   e) In the event that any Loan is rendered ineligible for mortgage insurance ("MI"), or the MI carrier cancels or rescinds coverage and/or denies a claim under such coverage due to fraud, misrepresentation or omission of a material fact;
   f) If Lender determines a Loan is not eligible for FNMA, FHLMC, FHA, VA, USDA, or GNMA pool participation, whole loan purchase, or purchase by a private investor, or the private investor requires Lender to repurchase said interest or reimburse it for losses due to fraud, misrepresentation or omission of a material fact;
   g) If Lender has sold such Loan in whole or in part to FNMA, FHLMC, FHA, VA, USDA or GNMA and FNMA, FHLMC, FHA, VA, USDA or GNMA and the investor requires Lender to repurchase said interest or reimburse it for losses due to fraud, misrepresentation or omission of a material fact.

In the event Lender requires repurchase pursuant to this Agreement, Broker shall repurchase the Loan within Thirty (30) days of receipt of written notice from Lender.

5.1 Indemnification. The option to request or accept repurchase of any Loan is at the sole discretion of Lender. Notwithstanding that Broker may be obligated to repurchase a Loan pursuant to Section 5.0 above, in the event Lender notifies Broker a Loan is subject to repurchase, in lieu of Brokers obligation to repurchase, Lender in its sole an absolute discretion may allow Broker to indemnify Lender against all suits, costs, damages, losses, fees or claims, including without limitation reasonable attorney's fees (including in-house and outside counsel), which may be incurred by Lender in connection with such Loan. Such Indemnification Agreement shall be substantially in the form and content provided by Lender, the provisions of which shall include, without limitation, the requirement that Broker shall pay to Lender, at the time that the Indemnification Agreement is executed, the estimated amount of any future potential costs or losses, and provided Broker (i) pay Lender a $1,500.00 fee for administrative expenses, and (ii) return any compensation paid by Lender to Broker, or any Lender credit applied to the borrowers Loan transaction. To the extent an investor and/or an Agency may provide relief to Lender for any liabilities or repurchase obligations, Lender shall be under no obligation to provide comparable relief to Broker.

It is further understood and agreed that Lender will utilize its legal and administrative resources to challenge an investor or Agencies decision to require indemnification and/or repurchase of a Loan, but the Agency or Investor's decision shall be conclusive. Because failure to comply with an Agency or investor's indemnification/repurchase demand may result in loss of Agency approval, suspension of selling privileges or disqualification of Lender as an investor seller, Lender must indemnify/repurchase an Agency or investor's interest in the identified mortgage within the Agency or investor's applicable time frame.

5.2 Repurchase Price. In the event Broker is required to repurchase a Loan pursuant to Section 5.0 above, the repurchase price for the Loan shall be as follows:

1) **Prior to foreclosure**. The Repurchase Price shall be equal to (1) the unpaid principal balance of the Loan, plus (2) the interest accrued but unpaid on the principal balance, plus (3) all costs and expenses, including but not limited to the reasonable fees and expenses of counsel (both in-house and outside counsel), incurred by Lender in enforcing Broker's obligation to repurchase, plus (4) any compensation paid by Lender to Broker, plus (5) any unreimbursed advances of taxes or insurance made by Lender with regard to the Loan, less, (6) any proceeds of mortgage insurance collected with respect to the Loan;
2) **After foreclosure, but prior to sale.** The Repurchase Price shall be equal to (1) the unpaid principal balance of the Loan, plus (2) the interest accrued but unpaid on the principal balance, plus (3) all costs and expenses, including but not limited to the reasonable fees and expenses of counsel (both in-house and outside counsel), incurred by Lender in connection with the foreclosure process and enforcing Broker's obligation to repurchase, plus (4) any compensation paid by Lender to Broker, plus (5) any unreimbursed advances of taxes or insurance made by Lender with regard to the Loan, less, (6) any proceeds of mortgage insurance collected with respect to the Loan;
3) **After foreclosure and after sale to third-party.** The Repurchase Price shall be equal to (1) the unpaid principal balance of the Loan, plus (2) the interest accrued but unpaid on the principal balance, plus (3) all costs and expenses, including but not limited to the reasonable fees and expenses of counsel (both in-house and outside counsel), incurred by Lender in connection with the foreclosure process and enforcing Broker's obligation to repurchase, plus (4) any compensation paid by Lender to Broker, plus (5) any unreimbursed advances of taxes or insurance made by Lender with regard to the Loan, less, (6) the net proceeds of the foreclosure sale (sales price minus costs and expenses), less (7) any proceeds of mortgage insurance collected with respect to the Loan.

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

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

8. Termination of Agreement. This Agreement may be terminated by either party at any time, upon written notice thereof to the other. The representations, warranties, covenants, and obligations of Broker in regards to any loans funded by Lender prior to termination of this Agreement shall remain in full force and effect notwithstanding termination or cancellation of this Agreement for any reason.

9. Governing Law. This Agreement shall be governed by, construed, interpreted and applied in accordance with the law of the state of California. Any action to interpret or enforce this Agreement must be brought in a court with competent jurisdiction within Contra Costa County, California. Notwithstanding, in the event that Lender is named as a defendant in any action outside the state of California, for or relating to a Loan originated by Broker to which an obligation *may* arise out of this Agreement, Broker hereby unequivocally consents to such jurisdiction. Broker hereby irrevocably submits to the alternate jurisdiction and waives the defense of inconvenient forum to the maintenance of any such action, suit or proceeding in such state or Federal court and any other substantive or procedural rights or remedies it may have with respect to the maintenance of any such action or proceeding in either forum.

10. Miscellaneous

10.1 Right to Offset. Amounts owed by Broker to Lender under this Agreement may, at Lender's option and in its sole and absolute discretion, be offset by Lender against any payments then or thereafter owed by Lender to Broker, whether for the same Loan or any other Loan transaction between the Parties.

10.2 Notices. All notices required hereunder shall be in writing and shall be deemed to have been given, made, and received only (a) upon delivery, if personally delivered to a party; (b) one business day after the date of dispatch, if by facsimile transmission; (c) one business day after deposit, if delivered by a nationally recognized courier service offering guaranteed overnight delivery; or (d)

three business days after the deposit in the United States first class mail, certified mail, postage prepaid, return receipt requested, to the address appearing on the signature page of this Agreement.

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

10.4 Assignment. Broker may not assign this Agreement or any of its duties hereunder.

10.5 Entire Agreement; Amendment. This Agreement, and attachments thereto specifically incorporated by reference, constitute the entire agreement between the parties and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment shall be binding unless executed in writing by both parties.

10.6 Waivers or Remedies. Failure or delay to audit any Loan prior to funding and closing, or to exercise any right or remedy available under this Agreement or at law or equity, shall not act as a waiver of any other right or remedy, nor shall any single or partial exercise of any right preclude any other or further exercise thereof. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. All remedies shall be cumulative and nonexclusive.

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

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

10.9 Non-Solicitation Clause and Early Payoff ("EPO"). Notwithstanding anything in this Agreement to the contrary, Broker shall not, within 180 days of the funding of the loan, on behalf of itself or any party, solicit or otherwise conduct business with any Borrower whose Mortgage Loan closes pursuant to this Agreement for any transaction relating to the mortgage Loan or any other Loan, whether held by Lender or not, which is also secured by the premises securing the mortgage Loan and while Lender, including its subsidiaries, affiliates, and assigns holds or services the mortgage Loan, unless it obtains the express written consent of Lender.

In the event that the Lender pays any form of compensation to the Broker on a Loan, or any Lender credit applied to the borrowers Loan transaction, and the Loan is pre-paid by the borrower (mortgagor), whether voluntary or involuntary, within 180 days from the funding date, the Broker is required to refund the entire amount paid and/or credited.

Broker shall pay the Lender within thirty (30) days from written notification by Lender the aforementioned refund, if any.

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

[This space intentionally left blank]

10.11 Notice. Broker agrees to immediately provide Lender with written notice of: (a) breach of Broker's representations and warranties, (b) suit, litigation, or proceeding concerning Broker directly or indirectly, which may affect Broker's operations, financial or other condition, business, property, assets, or ability to perform under this agreement, (c) changes in ownership of Broker of Record, name of Broker, Broker's address and phone numbers, Broker's tax identification numbers, or Broker of Record, if applicable for licensing purposes, (d) changes in Broker's financial or other condition, operations, business, property, assets, which may materially affect Broker or Broker's ability to perform under this agreement, and (e) notice of any investigation, revocation, suspension, or other adverse action or potential action by an agency or authority concerning Broker's licenses, permits, or ability to conduct business.

TO LENDER: **Residential Bancorp**
5686 Dressler Rd NW
North Canton, OH 44720

TO BROKER: _____
_____
_____

10.12 Counterparts. This Agreement may be executed and delivered in counterparts, each of which shall constitute an original, and all of which together shall constitute one Agreement. A facsimile, telecopy or other reproduction of this Agreement may be executed by either Party, and an executed copy of this Agreement may be delivered by either Party by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such Party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes.

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

LENDER:

BY: _____ Date:_____
Corey Wood, CEO

BROKER:

Company Name: _____

By: _____(signature) Date:_____

Print Name and Title: _____

Address:_____

Phone: _____ Fax: _____

By: _____ (Signature of Broker of Record) Date: _____

Print Name and Title: _____

RESIDENTIAL BANCORP
YOUR MORTGAGE TEAM

EXHIBIT "A"

Services to be performed by Broker:

1. Obtain information from the Borrower and prepare Residential Loan Application.
2. Prepare, obtain and review verification of deposit, income and employment.
3. Initiate/order requests for mortgage and other loan verifications.
4. Order appraisal through the designated Appraisal Management Company.
5. Initiate/order inspections or engineering reports.
6. Counsel Borrower on existing loan programs of Lender of at least three different lenders; educate Borrower in home buying and financing process, advise Borrower about the different types of loan products available, demonstrate how closing costs and monthly payments would vary under each product.
7. Order preliminary title report, certified copy of CC&Rs from county recorder (if applicable) and other legal documents requested by Lender.
8. Determine whether property located in a flood zone or order flood zone certification.
9. Assist Borrower in understanding and clearing credit problems.
10. Provide disclosures (truth in lending, good faith estimate, others) to the Borrower; obtain authorization for ordering credit report.
11. Maintain regular contact with the Borrower, Lender and others, between application and closing, to apprise them of the status of the application and to gather any additional information as needed by Lender and others.
12. Compile budget on Borrower's income and assets; analyze income and debt and pre-qualify Borrower to determine the maximum mortgage Borrower can afford.
13. Conduct brief field review of the property to verify occupancy and the external condition of the subject property.
14. Compile financial information (tax returns, bank statements) and other related documents needed for loan application process.
15. Participate in loan closing.
16. Perform such other services as Lender shall require to close the Loan(s).