

Broker/Correspondent Compensation Agreement



Broker Name:	
Tax ID#:	
Address:	
Effective Date:	

Terms of Agreement:	<p>This agreement is made between the Broker/Correspondent named above and applies to all brokered closed-end mortgage transactions submitted through GMFS's wholesale lending channel and locked as a lender paid compensation transaction. This agreement shall remain in effect until either the Broker/Correspondent Agreement is terminated by either party, or there is a change in terms, as described herein.</p> <p>Compensation may be selected in .125 increments, but may not exceed 2.75. The compensation selected is a fixed percentage of the base loan amount and cannot vary by any loan term or proxy of a loan term. For government loans, the base loan amount means the loan amount before any financed mortgage insurance premium, guarantee fee, or funding fee is added. Once an individual transaction is locked as a lender paid compensation transaction, the compensation cannot be changed to borrower paid. Additionally, Broker/Correspondent is prohibited from receiving payment either directly or indirectly from the consumer, in connection with a lender paid compensation transaction. Compensation will be based on the Compensation Agreement in effect as of the date the interest rate on the loan is set. Compensation will be disclosed on the Closing Disclosure and paid upon closing and funding of an individual transaction.</p>			
Change in Terms:	<p>Broker/Correspondent may change its lender paid compensation plan at any time, but not more frequently than six (6) months from the effective date of the Compensation Agreement currently in effect. To change the lender paid compensation plan, Broker/Correspondent must execute a new Compensation Agreement, which is subject to approval by GMFS and subject to the terms and conditions in effect at that time.</p>			
Lender Paid Compensation Plan Selection:	<input type="checkbox"/> 1.0	<input type="checkbox"/> 1.125	<input type="checkbox"/> 1.25	<input type="checkbox"/> 1.375
	<input type="checkbox"/> 1.50	<input type="checkbox"/> 1.625	<input type="checkbox"/> 1.75	<input type="checkbox"/> 1.875
	<input type="checkbox"/> 2.0	<input type="checkbox"/> 2.125	<input type="checkbox"/> 2.25	<input type="checkbox"/> 2.375
	<input type="checkbox"/> 2.50	<input type="checkbox"/> 2.625	<input type="checkbox"/> 2.75	

By signing below, I acknowledge that I agree to the terms described above and understand that all loans will be originated and funded in compliance with the loan originator compensation rules imposed under the Dodd Frank Act and enforced in the Truth-in-Lending Act, §1026.36. I further acknowledge and understand that GMFS may reject submissions that when lender paid compensation is added together with other applicable points and fees, exceeds the maximum points and fees threshold for a Qualified Mortgage (typically 3% for most loan amounts). I acknowledge that I have disclosed any affiliated business arrangements whereby Broker/Correspondent company owns more than 20%, or any employee of Broker/Correspondent company owns 1% or more. I understand that GMFS reserves the right to change its compensation structure at any time.

Signature of Broker Authorized Officer

Signature of GMFS Authorized Officer

Printed Name

Date

Printed Name

Date

[Enter Client Name]

Quality Control Plan

[Enter Client Name], as the originating lender, has the following procedures in place to satisfy any quality control concerns that an investor would expect us to maintain as a means of insuring each and every loan is originated based on accurate, complete and reliable information.

We also have these established procedures in place so that we can confidently participate in any external audits with examiners and be able to attest that the application was submitted in good faith and that the proper due diligence has been performed to protect the integrity of the transaction.

Because we are a non-delegated broker client, we do not underwrite the file for approval but rely on our correspondent lender to do so on our behalf to insure that all investor requirements from an underwriting vantage point have been satisfied. We can and do however, insure that our associates are well versed in all compliance aspects of the business and do everything possible to verify that the information submitted to the underwriter has been properly vetted.

Our Quality Control Plan complies with all current applicable local, state and federal laws, including but not limited to The Fair Housing Act, Equal Credit Opportunity Act, Home Mortgage Disclosure Act, Truth in Lending Act and the Real Estate Settlement Procedures Act, Fair Credit Reporting Act, E-sign Act, SAFE Act, all applicable Privacy laws and regulations, and all applicable state laws and regulations. We also carefully screen all individuals seeking employment against OFAC, LDP, SAM and FHFA exclusionary lists.

QC Reviews

Reviews will be performed by designated personnel independent of originating and processing associates. Records of the reviews will be maintained for a minimum of three years. QC Review findings will be communicated to all staff and any corrective action to correct defects will be immediately addressed.

Since we rely on the lender to perform all underwriting and closing functions, our QC plan will cover all functions performed by us up to submission to underwriting and clearing of any lender underwriting, closing, or funding conditions. The review of files will be done based on a 10% random sample within 90 days of closing and a complete cross section covering every program is to be performed.

Targeted/Discretionary reviews will also be selected to include each origination/processing staff member as well as vendors involved in the production of these transactions. Reviews will include verification of all supporting documentation and summary reports will be presented to senior management within 30 days of completion of the reports.

Content of the Review

Review of Initial Credit Application and Compliance Disclosures

We make certain that all staff is properly trained with regard to the gathering of information contained in the Uniform Residential Loan Application ("URLA") and that credit and findings are run based on the borrower(s) legal names and social security number, and confirm that no fees

other than credit report fees have been collected prior to the borrower(s)'s consent to proceed has been obtained.

We maintain contact with our LOS and/or Document Vendor to make sure that all up-front Disclosures are updated as changes are made with local, state and federal officials. QC insures that all required up-front disclosures are complete, accurate, and issued within all timing requirements prescribed in the applicable federal and state laws and regulation. Where disclosures were issued electronically, we verify that all e-sign consent and signature rules were met.

Verification of Income and Assets

We make sure that VOE's cover a two year period and contain no edits/erasures/white-outs and insure that the document does not pass through the hands of the applicant(s). We also verify that written VOEs are complete and signed by an appropriate representative of the employer (owner, manager, HR, accountant [self-employed borrowers]), and that the income disclosed matches all paystubs, W-2's, tax returns, and/or bank statements provided by the borrower.

All assets are verified independently and we make certain any large deposits are explained satisfactorily. Additionally, when the borrower is liquidating investment or retirement account proceeds, we verify the accessibility of those funds and confirm assets were deposited to the borrower's traditional bank account. Where gift funds or net equity is used, appropriate documentation from the gift donor or the sale of other real estate owned meets investor guidelines or conditions.

Review of Appraisal and Title Documentation

QC validates that all appraisals meet Appraisal Independence Requirements and was performed by a licensed/certified appraiser. QC reviews all sections of the appraisal form to make certain the report was completed satisfactorily and that any significant issues concerning overvaluation or appraisal quality, pursuant to agency SSRs were adequately resolved and documented. If the appraisal was completed "subject to" repairs, QC validates that all repairs were completed and the final inspection report indicates that all repairs were satisfactorily complete.

QC will verify that the title commitment is free from exceptions, encroachments, easements, or other title issues that may prevent clear and marketable title. Additionally, we will confirm that the title commitment coverage is in an amount not less than the total loan amount and the effective date is not later than the closing date.

Required Insurance

QC verifies that the applicant provided proof of acceptable hazard insurance coverage, with adequate coverage and deductibles, and that the effective dates are not later than the closing date. If the property is located in a Special Flood Hazard Area, as determined by a valid FEMA flood determination map, evidence of adequate NFIP (or private where permitted) flood insurance was obtained, and the effective dates are not later than the closing date.

The undersigned certifies that the foregoing Quality Control Plan has been fully implemented and consistently maintained.

Signed: _____

Name (Printed): _____

Date: _____

THIRD PARTY ORIGINATOR HIRING PROCEDURES ATTESTATION

GMFS, LLC ("GMFS") is a direct seller to Fannie Mae, Freddie Mac, and Ginnie Mae ("the Agencies"). As such, GMFS must comply with Agency requirements related to third party originations, who require their sellers to ensure that all third party originated loans meet the quality standards of each agency, as described in their individual selling guides. The Agency selling guides require GMFS to validate that all third party originators have hiring procedures in place to verify all new hire employees against the agency exclusionary lists.

As the third party loan origination company authorized representative, I _____ hereby assert and attest that _____ has procedures in place to verify all new hire employees associated with the loan origination process, from application to closing, against the following Agency exclusionary lists:

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

Printed Name of Authorized Individual

Date

Signature of Authorized Individual





Addendum to GMFS Broker Agreement

One Time Close Construction Loan Submissions

I, _____, as a duly authorized representative of _____ (“Loan Originator”) have elected to submit loans to GMFS, LLC (“Lender”) under Lender’s One Time Close Construction Loan product (“OTC”). Due to the nature of OTC loans, disclosures will be handled, and compensation will be paid to Loan Originator under the following terms:

Disclosures:

1. GMFS will issue all initial and subsequent disclosures on all OTC loan submissions.
2. Loan Originator is prohibited from issuing disclosures on the OTC product.
3. Loan Originator agrees to provide the Lender with any information necessary in order to produce all required disclosures, which includes information concerning any affiliated companies whereby Loan Originator company has 20% or more ownership or any principal(s) has 1% or more ownership interest.
4. As the Loan Originator, I understand my obligation to submit all loan applications to Lender within two (2) business days of the application date to allow sufficient time for Lender to issue all required disclosures by the third (3rd) business day after the application date. The application date is defined as the date the consumer provides, or the Loan Originator received, the applicant’s name, social security number, property address, loan amount, estimated property value, and income (whether verified or not). Loan Originator means either the loan originator company, or an individual loan originator who takes or receives an application.
5. Loan Originator must notify Lender immediately of any change in circumstance that may require subsequent disclosures, no later than two (2) business days following the date the changed circumstance occurred, to allow Lender sufficient time to issue subsequent disclosures. Lender understands and acknowledges that Lender reserves the right to make the final determination whether the reason for any changed circumstance submitted by Loan Originator is value; whether any fee increases as a result of the changed circumstance

are valid; and whether the timing requirements have been met. Lender will notify the Loan Originator if any changed circumstance request is non-compliant.

6. For purposes of disclosure delivery timeliness, Loan Originator agrees to adhere to GMFS's business day calendar, which excludes Saturdays, Sundays and legal federal holidays Lender is closed for business. Please note that GMFS is not closed on all published legal federal holidays and therefore, Loan Originator is responsible for monitoring GMFS's holiday schedule.
7. Lender will disclose each loan reflecting GMFS, LLC as the Lender, the Loan Originator Company as the Broker, and will use the Lender's published fee schedule, and settlement service provider's list.
8. All OTC loans will be disclosed as lender paid compensation. Borrower paid compensation will not be permitted on OTC products.
9. Lender reserves the right to reject any loan submission that does not comply with the foregoing.

Compensation:

1. All compensation payments from Lender are paid to the Loan Originator company. The Loan Originator company is responsible for establishing its own compensation plans with its sponsored individual Loan Originators.
2. All OTC loans will require lender paid compensation. Borrower paid compensation will not be permitted.
3. Compensation will be paid at the time the loan is modified to its permanent, closed-end, loan program.
4. Compensation will be paid based on the final loan amount reflected in the modified closed-end Note, which will reflect either increases to the loan amount, as a result of cost overruns or changes to plans and specifications, or decreases to the loan amount as a result of a principal balance reduction made, for example, from unused funds in the construction loan contingency reserve.
5. The amount of compensation paid will be based on the Loan Originator's compensation plan in effect at the time the interest rate is set in connection with the modified loan terms, and will be disclosed on the final Closing Disclosure issued to the consumer at least three (3) business days prior to the date the modification will, or is expected to occur, as permitted under Regulation Z, §1026.17(c)(6)(ii).
6. The Loan Originator compensation rules under Regulation Z §1026.36(b) apply to closed-end consumer credit transactions secured by a dwelling. During the construction phase of the OTC product, the loan is open-ended, as draws are made increasing the loan amount at each draw. Additionally, during the construction phase, the property securing the loan is not a dwelling, until construction is complete and a certificate of occupancy has been issued. Therefore, in the event a certificate of occupancy is not issued and/or, the loan does not, or cannot, modify for any reason to its closed-end permanent status under the modified Note, the Loan Originator company is not eligible for compensation.

7. GMFS must include lender paid compensation in the QM points and fees calculation, along with modification related fees, at the time of modification. In a rising interest rate environment, the APOR may not yet reflect current market rates. Consequently, lender paid compensation may be reduced in order to meet the applicable QM points and fees threshold.
8. Once the OTC loan is modified, the early payoff (“EPO”) policy, in effect as of the date of the modified Note, will apply.

The undersigned acknowledges that he/she has read the disclosure and compensation provisions herein and agrees to comply with same. The undersigned further acknowledges that failure to comply may subject Loan Originator to disciplinary action including, verbal reminders of requirements, mandatory training conducted by Lender, temporary or permanent suspension from Lender’s OTC program.

_____	_____	_____
Printed Name	Signature	Date

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By signing below, I acknowledge that I agree to the terms described above and understand that all loans will be originated and funded in compliance with the loan originator compensation rules imposed under the Dodd Frank Act and enforced in the Truth-in-Lending Act, §1026.36. I further acknowledge and understand that GMFS may reject submissions that when lender paid compensation is added together with other applicable points and fees, exceeds the maximum points and fees threshold for a Qualified Mortgage (typically 3% for most loan amounts). I acknowledge that I have disclosed any affiliated business arrangements whereby Broker/Correspondent company owns more than 20%, or any employee of Broker/Correspondent company owns 1% or more. I understand that GMFS reserves the right to change its compensation structure at any time.

Signature of Broker Authorized Officer

Signature of GMFS Authorized Officer

Printed Name

Date

Printed Name

Date

The following information answered on the contract would need to be entered in the Comments Section so that it will be provided to the Closer with the IRN printout put in the file by the CRR/Analyst.

1. Will the closing documents be returned by the Closing Agent to GMFS or to your company?

 If they are to be returned to your company, please complete the following information:

Mail to: _____

Attn: _____

Street: _____

City, State, Zip _____

2. If the original closing documents are to be returned to GMFS but the Original Note should be forwarded to a different destination, please complete the information below:

Mail to: _____

Attn: _____

Street: _____

City, State, Zip _____

3. Funding Advices should be faxed to:

(____) _____ - _____ Attn: _____

4. Will the GMFS Closing Specialist work with the Loan Officer or a specific contact from the main office?

If it is a specific contact, please complete the info below:

Contact: _____ Contact Phone: _____

Contact Fax: _____ Contact email: _____

II. Statement of Certification

The undersigned entity hereby represents and warrants that: (1) all information contained in this Application for GMFS LLC Correspondent Approval (Form 1000) is true, complete and accurate, and (2) GMFS LLC will be notified of any material change in the information provided in this Application during the time after submission of this Application and prior to and after approval. The undersigned entity understands that GMFS LLC will be relying upon the information contained in this Application and that any misrepresentation or omission may constitute a civil or criminal violation and may be cause for suspension or termination of the correspondent relationship with GMFS LLC.

The individual executing this document below represents that such person is duly authorized to sign this statement on behalf of the Applicant.

Name: _____

Title: _____

Signature: _____

Date: _____

Company: _____



AUTHORIZATION TO RELEASE INFORMATION:

TO ALL INDIVIDUALS AND ENTITIES RECEIVING THIS AUTHORIZATION:

You are respectfully requested to provide to any authorized representative of (referred to herein as GMFS LLC) any information deemed necessary for its evaluation of the quality or quantity of loans originated or sold by the Company as well as the financial strength, experience, capacity, character and reputation of the Company and/or its officers, employees, directors and principals. Such requested information may include, but not be limited to, background investigations regarding matters pertaining to criminal, civil and legal transactions of the company, its officers, directors, principals and employees. Any entity that provides information to GMFS LLC – for this purpose will be held harmless relative to GMFS LLC interpretation of such information. Your cooperation and prompt response GMFS LLC request will be sincerely appreciated.

Company Name: _____

By: _____

Name: _____

Title: _____

Date: _____



AUTHORIZATION TO RELEASE INFORMATION:

TO ALL INDIVIDUALS AND ENTITIES RECEIVING THIS AUTHORIZATION:

You are respectfully requested to provide to any authorized representative of (referred to herein as GMFS LLC) any information deemed necessary for its evaluation of the quality or quantity of loans originated or sold by the Company as well as the financial strength, experience, capacity, character and reputation of the Company and/or its officers, employees, directors and principals. Such requested information may include, but not be limited to, background investigations regarding matters pertaining to criminal, civil and legal transactions of the company, its officers, directors, principals and employees. Any entity that provides information to GMFS LLC – for this purpose will be held harmless relative to GMFS LLC interpretation of such information. Your cooperation and prompt response GMFS LLC request will be sincerely appreciated.

Company Name: _____

By: _____

Name: _____

Title: _____

Date: _____



Loan Fraud Prevention Policy

It is the policy and intent of GMFS LLC to support the eradication of loan fraud within the residential lending marketplace. All fraudulent files are turned over to the FBI and all other applicable state and local agencies. All information gleaned from fraudulent files is shared with other industry participants as well as industry databases.

Loan Originators should be advised that the Broker bears responsibility for all actions performed in the course of business, of his or her employees or licenses. Additionally, the Originator should be aware of their responsibility for the accuracy of all information submitted to GMFS LLC. GMFS LLC never speaks to the originator's borrower and relies on the originators or their employees to interview the borrower, and to fully research any questionable statements or situations. Production should never outweigh ethical considerations.

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE OR MISREPRESENTED INFORMATION IS A FEDERAL CRIME

Although loan fraud or negligent misrepresentation may be perpetrated in many forms, some of the most common examples are shown below:

- Submission of inaccurate information, including false statements on loan application(s) and falsification of documents purporting to substantiate credit, employment, deposit and asset information or personal information including identity, ownership/non-ownership of real property, etc.
- Forgery or misrepresentation of partially or predominantly accurate information.
- Inaccurate representations of current occupancy or intent to maintain required occupancy as agreed in the security instrument.
- Lack of due diligence or concern by broker, loan officer, interviewer or processor, including failure to obtain or divulge all information required by the application and failure to request further information as dictated by borrower's response to other questions.
- Acceptance of information or documentation, which is known or suspected to be inaccurate or acceptance of information, which should be known to be or suspected to be inaccurate. This includes:
- Simultaneous or consecutive processing of multiple owner-occupied loans from a single applicant where information differs on each application.
- Permitting an applicant or interested third party to assist with the processing of the loan.
- Failure of correspondent/broker to disclose any relevant or pertinent information.

Signature of Principal Officer(s)

By: _____

By: _____



Consequences of Loan Fraud

The consequences of residential loan fraud are far-reaching and expensive. GMFS LLC warrants the quality of our loan production to our investors. Fraudulent loans may not be sold in the secondary market for home mortgages. If a loan is discovered to be fraudulent after its sale, GMFS LLC could be obligated to repurchase the loan from our investor.

A few of the repercussions that may be experienced are as follows:

Repercussion to the Broker:

- Repurchase requests.
- Revocation of Broker's license.
- Loss of approved broker or correspondent lender status with GMFS LLC
- Inability to access lenders caused by the exchange of legally permissible information between lenders; mortgage insurance companies; FHLMC, FNMA and other investors; policy agencies; state and federal regulatory agencies and industry databases.
- Civil action by GMFS LLC
- Civil action by applicant (borrower) and/or other parties to the transaction.
- Criminal prosecution, which may result in possible fines and imprisonment.

Repercussion to the Borrower:

- Adverse, long-term effect on credit history
- Acceleration of debt as mandated in the security instrument (Deed of Trust or Mortgage)
- Civil action by GMFS LLC
- Civil action by other parties to the transaction such as seller or real estate agent/broker.
- Forfeiture of any professional licenses
- Termination of employment when the employer is informed
- Criminal prosecution, which may result in possible fines and imprisonment.

I have read the foregoing and understand and accept GMFS LLC's Policy on Loan Fraud.

Signature of Broker of Record

Signature of Principal Officer

By: _____

By: _____

VA Sponsor Request Form



GMFS APPROVED BROKERS REQUESTING TO BE RECOGNIZED AS AN AUTHORIZED “VA AGENT” FOR GMFS

When a GMFS approved Broker’s (main office) requests to be recognized as a GMFS “VA AUTHORIZED AGENT” to take loan applications, request credit reports, appraisals, verify employment and deposits, and conduct settlement on behalf of GMFS, the broker must provide the following information and fee in their request to GMFS.

Company name:
DBA(if applicable):
Main office address:
City, State, Zip:
Tax ID Number:
Contact Person:
(Title):
Email Address:
Telephone No:
FAX No:

VA ID Number: _____ (If VA has ever issued a number to you.
Please send us your VA approval letter if you have one.)

Check \$100. Payable to: “Department of Veterans Affairs”

Send this form and the \$100 check to:

GMFS, LLC, Attention: Tara McKernan,

7389 Florida Blvd Ste 200-A, Baton Rouge, LA 70806.

After receiving the above information and fee, GMFS will forward your request to the VA. It takes approximately one to two months to get your VA Identification Number. The Renewal fee of \$100 is required at the time of application and again at the end of October. This renewal is good until the following December. It is the broker’s responsibility to notify the VA office if the broker’s address changes.

Under current VA guidelines, GMFS- Who has Automatic Authority – can underwrite VA loans in any state that both the Broker and GMFS are licensed.



GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, _____, acting on behalf of the Company, have made, constituted and appointed and by these presents do make, constitute, and appoint GMFS LLC ("Assignee") as the Company's true and lawful agent and attorney-in -fact, for the Company and in the Company's name, place, and stead to execute, endorse, acknowledge, and deliver such documents and to take whatever action as such attorney-in-fact may deem necessary and appropriate for the purpose of negotiating, assign, and transferring from the Company to Assignee mortgage notes, mortgages, deeds of trust, and any documents related to the real property described in the Security Instrument or other document.

The Company hereby gives such attorney-in-fact full power and authority to do and perform all and every act and thing whatever requisite and necessary to be done in connection with the purpose stated herein as fully to all intents and purposes as the Company might or could do, hereby ratifying and confirming on behalf of the Company whatever such attorney-in-fact shall or may do by virtue hereof.

This General Power of Attorney shall remain in effect for the purpose stated herein until specifically revoked in writing. In the event this General Power of Attorney is filed or recorded, such written revocation must be similarly filed or recorded.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____, capacity stated herein.

Company Name: _____
By: _____
Its: _____
Printed Name and Title

STATE OF _____
COUNTY/PARISH _____

I, _____, _____, certify that _____, personally came before me this day _____ and that he/she as _____, being authorized to do so, executed the foregoing on behalf of the entity.

Witness my hand and official seal this _____ day of _____, 20____.

Notary Public

Printed Name

[Seal]

My Commission expires: _____
Bar Roll # _____



CORRESPONDENT LOAN PURCHASE AGREEMENT

For Licensed Correspondent Lenders

THIS AGREEMENT (the “Agreement”) is made and entered into as of the _____ day of _____, 20_____, by _____ and _____ between **GMFS LLC** and _____ (hereinafter referred to as “**Correspondent**”).

RECITALS

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

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

1 ORIGINATION AND PURCHASE OF MORTGAGE LOANS

- 1.1 **Correspondent** may submit applications and related loan packages for mortgage loans to **GMFS LLC** and **GMFS LLC**, upon receipt thereof, may, in its sole discretion, underwrite and approve such applications and related complete loan packages. **Correspondent** warrants that each such mortgage loan approved and purchased by **GMFS LLC** shall conform in all material respects to all the terms, conditions, representations, warranties and covenants contained in this Agreement. Nothing in this Agreement shall be construed as obligating **GMFS LLC** to accept or approve any such application, loan package or mortgage loan. In the event a mortgage loan is approved and accepted by **GMFS LLC** and closed in the name of **Correspondent**, **Correspondent** shall assign, transfer, convey and deliver the mortgage loan to **GMFS LLC** (including all servicing rights relating thereto), and endorse the related promissory note, in accordance with **GMFS LLC’s** policies and procedures. Such endorsement and assignment shall be without recourse as to payment but subject to the representations and warranties of **Correspondent** contained in this Agreement. Simultaneously with the assignment thereof to **GMFS LLC**, **GMFS LLC** shall make payment of the purchase price for such mortgage loan to **Correspondent**, such purchase price to be determined in accordance with **GMFS LLC’s** compensation arrangements for mortgage loans as then in effect.
- 1.2 From time to time during the term of this Agreement, **GMFS LLC** shall determine and make known to **Correspondent** its eligibility criteria, submission procedures and compensation arrangements for mortgage loans based on factors such as type of loan, loan limits, loan-to-value ratios, interest rates, points and fees, payment features, documentation requirements, and credit standards. These eligibility criteria, submission procedures and compensation arrangements are subject to change by **GMFS LLC** from time to time upon written notice to **Correspondent**. Written notice shall be defined as communication in the form of mail/email from any **GMFS** employee/department, announcements posted on gmfspartners.com, social media posts, updates to **GMFS’** Selling Guide, or any mutually agreed upon contract revision or contract addendum.
- 1.3 **GMFS LLC** shall have sole discretion in underwriting each mortgage loan submitted hereunder, and if approved by **GMFS LLC**, the closing thereof shall be in accordance with **GMFS LLC’s** policies and procedures. **Correspondent** and **GMFS LLC** expressly agree and acknowledge that **Correspondent** shall have no right, power or authority, express or implied, to approve a loan application, orally or in writing, on behalf of **GMFS LLC** or to issue to prospective mortgagors any type of binding commitment to loan funds on behalf of **GMFS LLC**.

2 REPRESENTATIONS, WARRANTIES, COVENANTS, RESPONSIBILITIES AND OBLIGATIONS OF CORRESPONDENT

As an inducement to **GMFS LLC** to enter into this Agreement and to purchase loans hereunder, **Correspondent** makes the general and specific representations and warranties to **GMFS LLC**, and its successors and assigns, set forth in this Agreement, including those set forth below in this Section 2, and agrees to perform fully the covenants, responsibilities and obligations set forth herein and therein. All representations and warranties of **Correspondent** shall be deemed made as of the date hereof and as of the date on which **GMFS LLC** purchases any mortgage loan hereunder.

- 2.1 **Correspondent** is either a depository institution exempt from licensure requirements, but maintains registration in the National Mortgage License System (“**NMLS**”); or a licensed Mortgage Broker; or Mortgage Banker;

and an independent contractor. In this capacity, **Correspondent** shall not make any representations in any manner that **Correspondent** is the agent, servant, employee, representative, partner or co-venturer of **GMFS LLC**. **Correspondent** shall have no authority to solicit, bind or commit **GMFS LLC** to any contract or transaction, whether for placement of a loan or for any other purpose, and **Correspondent** shall not represent in any manner to anyone that **Correspondent** has any such authority.

- 2.2 If **Correspondent** is a corporation, LLC, or any type of legal entity required to be licensed by a State, **Correspondent** represents and warrants to **GMFS LLC** that it is validly existing and in good standing under the laws of the State in which it is incorporated and doing business, and that it is duly qualified in each State wherein such qualification is necessary. At the time of the execution of this Agreement, **Correspondent** agrees to provide a corporate resolution indicating that the individual(s) executing this Agreement are fully authorized to execute and deliver this Agreement on behalf of **Correspondent** and designating the individuals who are authorized to bind **Correspondent** for all mortgage loans to be purchased by **GMFS LLC** hereunder.
- 2.3 **Correspondent** represents and warrants that **Correspondent** is either exempt from licensure with registration in the NMLS, or is duly qualified and licensed by all City, State and Federal regulatory authorities to perform any and all services, agreements and obligations hereunder and will, during the term hereof, maintain such qualifications and licenses. During the term of this Agreement, **Correspondent** will renew all licenses or registrations required hereunder prior to their expiration, and it will fully comply with all applicable laws, ordinances and regulations. **Correspondent** will immediately notify **GMFS LLC** if any license is not renewed or is suspended or canceled for any reason.
- 2.4 **Correspondent** agrees to obtain descriptions from **GMFS LLC** of **GMFS LLC's** available loan programs, and to accurately explain such programs to prospective borrowers. **Correspondent** shall explain to prospective borrowers only the specific and available loan programs at current interest rates provided by **GMFS LLC**. Based on proposed transactions **Correspondent** shall prepare and timely deliver to prospective borrowers the Home Loan Toolkit (for purchase money loans), a preliminary Loan Estimate and Written List of Providers, as required by the Truth In Lending Act, and any other notices, disclosures, or forms required by Federal, State, or local law in connection with **Correspondent's** activities hereunder. Where **Correspondent** prepares its own documents, **Correspondent** also agrees to disclose any fees to be paid to **Correspondent** at closing on the Closing Disclosure. Where **GMFS LLC** prepares the closing documents, **GMFS** will disclose any fees paid to **Correspondent** on the Closing Disclosure.
- 2.5 **Correspondent** warrants, based on information reasonably available to **Correspondent**, that all loan applications and related loan packages submitted by **Correspondent** to **GMFS LLC** hereunder will have been fully investigated by **Correspondent**, all material representations contained in such applications, such as appraisals, and other documents submitted will have been investigated or ascertained by **Correspondent** to be true and correct. That all documents submitted or to be submitted to **GMFS LLC** are genuine; that all representations with respect to the loans are true and correct and meet the requirements and specifications of this Agreement, and the prevailing market standards; and in all material respects that **Correspondent** shall obtain accurate and reliable credit reports from credit reporting agencies and must ensure all real estate appraisals comply with all federal and agency appraisal independence requirements. **Correspondent** shall be responsible for all costs and expenses incurred by **Correspondent** including real estate appraisals, credit reports and any other costs and expenses.
- 2.5.1 **Correspondent** may prepare closing documents for mortgage loans on forms approved by **GMFS LLC** including but not limited to promissory notes, deeds of trust, mortgages, disclosure statements, and any other documents or disclosures required by state or federal law or **GMFS LLC** (collectively "Documents") and that **Correspondent** warrants that all such Documents as completed with respect to each mortgage loan shall: (1) be accurate, correct, complete, valid, binding and enforceable according to their terms; (2) comply with all applicable disclosure and all other requirements under state or federal laws and regulations; and (3) have been provided to the borrowers or others on a timely basis as required by applicable state and federal laws and regulations. **Correspondent** further warrants that all Documents submitted by **Correspondent** to **GMFS LLC** with respect to each mortgage loan are in all respects valid and genuine and being what on their face they purport to be. In the event of a deficiency identified by **GMFS LLC** and/or its investors, **Correspondent** agrees to fully cooperate with **GMFS LLC** to cure any such deficiency within the timelines established by **GMFS LLC's** investor, or within a timeline mutually agreed upon between **Correspondent** and **GMFS LLC**. After exhausting all efforts to sufficiently resolve an identified deficiency, to no avail, **Correspondent** agrees to repurchase any loan within ten (10) days if loan documents are found by **GMFS LLC** to be: (1) out of compliance with any local, state or federal laws or any agency regulations or requirements; (2) inaccurate, incorrect, invalid, non-binding or non-enforceable according to the terms or (3) disclosed improperly or not in a timely manner according to RESPA, TILA and any other local, state, federal or regulatory disclosure policy, regulations or legal requirements. **Correspondent** agrees to deliver the closed loan documents in saleable condition and clear any or all funding stipulations within ten (10) business days of notification. **Correspondent** understands that all stipulations of funding must be cleared and the loan purchased by **GMFS LLC** by the lock expiration date, or the loan will be subject to worst case pricing and a lock extension fee of .375%. **Correspondent** also understands that any loans that are greater than thirty (30) days old from the note date will not be eligible for purchase by **GMFS LLC** under any circumstances.
- 2.5.2 **Correspondent** agrees that all final post-closing documents shall be reviewed by the **Correspondent** for accuracy and delivered to **GMFS LLC** within 180 days from the date of purchase by **GMFS LLC**. Any post-closing documents not received within 180 days from the date of purchase shall be billed to the **Correspondent** on a monthly basis according to the current market price for procurement as established by **GMFS LLC**. For those post-closing documents that are outstanding for 270 days or more from the purchase date, **GMFS LLC** reserves the right to mandate the repurchase of mortgage loans. This provision shall survive the termination of this Agreement until

all outstanding required post-closing documents are received by **GMFS LLC** and/or market price for procurement that was billed to the **Correspondent** as of the termination date is paid.

- 2.6 **Correspondent** agrees to make prompt, timely, full, accurate and truthful disclosures to **GMFS LLC** of all facts, information and documentation of which **Correspondent** may know, suspect or have actual notice that could or has affected the validity, collectability, security and/or enforceability of any loans to be purchased by **GMFS LLC**, including all facts, information and documentation relating to any disputes, proceedings, litigation or governmental action pending, or to **Correspondent's** knowledge threatened, respecting the borrowers, the subject real property, or the loan transactions, as well as all facts, information and documentation relating to the borrowers, their creditworthiness or the value or condition of the related properties. Any alteration, deterioration, waste or destruction (complete or partial) or other damage or injury to the related property which affects its value or condition, or otherwise affects or impairs any security to be granted to **GMFS LLC** or its assignees or successors, upon purchase of a loan, and any appraisal covering the related property which determines a property value lower than that previously disclosed to **GMFS LLC**, or which discloses any other fact or information material to the related property or to the proposed mortgage or which has not theretofore been disclosed to **GMFS LLC**, shall be disclosed by **Correspondent** to **GMFS LLC** immediately upon **Correspondent's** first ascertaining such facts or information, and, in any event, not later than **Correspondent** should, exercising reasonable diligence, first have become aware of such facts or information.
- 2.7 **Correspondent** warrants and represents that (a) the execution and delivery of this Agreement by **Correspondent**, and the obligations which it will perform hereunder, do not, and will not, violate any provision of any contract, law, rule, regulation, order, writ, judgment, injunction, decree, determination or award having applicability to **Correspondent** or the Articles of Incorporation, Bylaws or other organizational documents of **Correspondent**, nor with notice or passage of time or both, would constitute such violation; and (b) there are, to **Correspondent's** knowledge, no actions, suits or proceedings pending or threatened against or affecting **Correspondent** or the properties of **Correspondent** before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to **Correspondent**, would have a material adverse effect on the financial condition, properties or operations of **Correspondent**.
- 2.8 **Correspondent** represents and warrants that it shall be the originating lender of each mortgage loan at the time of its sale and assignment to **GMFS LLC**, and no prior sale, pledge, assignment or hypothecation of any such mortgage loan, or any portion thereof, has been made to any other person or entity, except for those being released at the time of sale. **Correspondent** further warrants that all notes, assignments, agreements, documents and other instruments purporting to be executed by an officer, employee, representative or agent of the **Correspondent** are and shall be genuine, authorized, valid and binding, and shall constitute valid, binding and enforceable obligations of **Correspondent**.
- 2.9 **Correspondent** covenants that it will not act outside the scope of its authority hereunder and will not hold itself out to prospective mortgagors as having the authority to approve loan applications or to issue loan commitments on behalf of **GMFS LLC**.

3 REPRESENTATIONS, WARRANTIES, COVENANTS

- 3.1 **GMFS LLC**, in its sole and absolute discretion, may elect to accept or reject any application, loan package or mortgage loan submitted to it by **Correspondent** under this Agreement. All approvals and denials will be in written form established by **GMFS LLC**. In no event will **GMFS LLC** be deemed to have approved any loan application until receipt by **Correspondent** of such written approval.
- 3.2 The relationship between **GMFS LLC** and **Correspondent**, as provided under this Agreement, is nonexclusive, and **GMFS LLC** intends to enter into, and shall not be restricted by this Agreement from entering into, other arrangements with other **Correspondents** from time to time in the sole discretion of **GMFS LLC** and without notice to **Correspondent**, whether or not similar to the arrangements set forth in this Agreement. **Correspondent** is also free to enter into mortgage loan arrangements with other lenders from time to time, without notice to **GMFS LLC**.
- 3.3 With its execution of this Agreement, **Correspondent** hereby grants permission to **GMFS LLC** to verify any information regarding any loan package or documents subject to this Agreement.
- 3.4 **Correspondent** shall provide all documentation, facts, information and other assistance as may be required or otherwise reasonably requested by **GMFS LLC**, relating to the origination, application, processing, funding and closing of any loans submitted by **Correspondent** to **GMFS LLC**.
- 3.5 **GMFS LLC** is a legal entity required to be licensed by the states in which it conducts business. **GMFS LLC** will ensure that it remains in good standing under the laws of the State in which it is incorporated and doing business, and that it is duly qualified in each State wherein such qualification is necessary.
- 3.6 **GMFS LLC** warrants and represents that (a) at the execution and delivery of this Agreement and for the life of this Agreement, **GMFS, LLC** will perform its obligations under this Agreement such that any actions or duties performed by **GMFS LLC**, including but not limited to, as applicable, preparation of loan disclosures, loan documents, underwriting, prior to purchase loan review, etc. do not, and will not, violate any provision of any contract, law, rule, regulation, order, writ, judgment, injunction, decree, determination or award having applicability to **GMFS LLC** or the Articles of Incorporation, Bylaws or other organizational documents of **GMFS LLC**; nor with notice or passage of time or both, would constitute such violation; and (b) there are, to **GMFS LLC's** knowledge, no actions, suits or proceedings pending or threatened against or affecting **GMFS LLC** or the properties of **GMFS LLC** before any court or

governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to **GMFS LLC**, would have a material adverse effect on the financial condition, properties or operations of **GMFS LLC**.

- 3.7 Where **Correspondent** submits loans to **GMFS LLC** on a non-delegated underwriting basis, **GMFS LLC**, agrees to indemnify and hold harmless **Correspondent**, its related corporations, LLCs, other entities, officers, directors, shareholders, employees, and agents from any and all loss, injury, damage, expense, and/or liability, including but not limited to, interest, any attorneys' fees, expert fees, and court costs, to any and all persons resulting, or claimed to have resulted, from any error, omission, or breach on the part of **GMFS LLC** in fulfilling its duties to **Correspondent**, to the extent that **Correspondent**, serving as the lender/loan originator on each transaction, has fulfilled its obligation further described herein, enabling **GMFS LLC** to perform its duties in compliance with all applicable laws, rules, or regulations associated with the subject matter hereof.
- 3.8 **GMFS LLC** has, and during the the term of this Agreement will maintain, insurance coverage, including without limitation workers' compensation insurance, errors and omissions, and blanket liability coverage, in reasonable amounts and with acceptable standard coverages, but in no event less than such amounts and coverage required by applicable state and federal law. **GMFS LLC** agrees to provide, at **Correspondent's** request, certificates of insurance or such other materials as **Correspondent** may reasonably require to evidence **GMFS LLC's** insurance coverages and its compliance with its obligations under this subsection.

4 LOAN REVIEW

- 4.1 **Correspondent** acknowledges that in the course of its business **GMFS LLC** may conduct quality control audits to re-verify or assure **GMFS LLC** of the accuracy of the information submitted to it by **Correspondent** and prospective borrowers. No such audits shall relieve **Correspondent** of any duty or obligation hereunder, nor shall such audits or the information obtained by **GMFS LLC** as a result thereof relieve **Correspondent** of its obligations hereunder or constitute a waiver of any claim by **GMFS LLC** arising from the inaccuracy of any warranties or representations of **Correspondent** hereunder. **Correspondent** and **GMFS LLC** mutually agree to provide information requested in the course of loan reviews in a timely manner, generally within 24-72 hours, unless otherwise agreed by the parties.
- 4.2 **Correspondent** acknowledges that in satisfying its own internal quality control policies and procedures, it can/should conduct quality control audits in compliance with its Quality Control Plan.

5. LOAN RATES AND FEES

- 5.1 All loan rates and fees quoted by **GMFS LLC** to **Correspondent** will be in a form and by a method established by **GMFS LLC** from time to time. No rate quotes or "rate-locks" will be binding upon **GMFS LLC** unless agreed to in writing, via a lock confirmation issued to **Correspondent**, by a designated authorized employee of **GMFS LLC**.
- 5.2 Except for the payment to satisfy an existing loan secured by a lien on the related property, the loan proceeds are not to be paid, in whole or in part, to a seller who (1) pays any compensation to or receives any compensation from **Correspondent**, (2) is related by common ownership or control to **Correspondent**, or (3) shares its profit or losses with **Correspondent**. For purposes of this section 5, "**Correspondent**" in this Agreement includes **Correspondent's** affiliates, partners, directors, officers, employees and agents. **Correspondent's** requests for exceptions to this Section 5.2 must be in writing, and any change to an original request submitted is the responsibility of **Correspondent**. Nothing in this provision is intended to preclude an employee of **Correspondent**, or any affiliated company, from obtaining a loan under the **GMFS LLC** program.
- 5.3 No loan application will be submitted that has been referred or brokered to **Correspondent** by another **Correspondent** who will receive any compensation from **Correspondent**, directly or indirectly, unless disclosed in writing to **GMFS LLC** with the application and approval by **GMFS LLC**.

6 COMPLIANCE

- 6.1 In general, the procedures, eligibility requirements, loan application and related forms and all other aspects of processing loans will be those required by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, as appropriate; provided, however, **GMFS LLC** may insist upon the use of alternative or additional forms and procedures. All applicable State, Local, Municipal, and Federal laws and regulations of any nature will be observed, as they relate to **Correspondent's** activities undertaken in connection with this Agreement, and all necessary disclosures required by those laws and regulations shall be made by **Correspondent** including, but not limited to, the Truth-In-Lending Act (including right of rescission requirements), the Real Estate Settlement Procedures Act, the Fair Housing Act, the Fair Credit Reporting Act, the Home Mortgage Disclosure Act, the Equal Credit Opportunity Act, the Gramm-Leach-Bliley Act, and all Federal and State privacy laws, rules, and regulations. **Correspondent's** compliance and disclosure obligations under these laws and regulations shall be limited to those that arise from **Correspondent's** activities undertaken hereunder. **GMFS LLC** shall be responsible for providing other disclosures required by applicable law and if **Correspondent** requests that **GMFS LLC** prepare the loan closing documents, parties agree that **GMFS LLC** will provide all required closing documents for all loans processed under this Agreement and as such preparation of these documents will fall under all applicable representation and warranties outlined herein.

7. CORRESPONDENT'S REPURCHASE AND INDEMNIFICATION OBLIGATIONS

- 7.1 In the event a representation or warranty by **Correspondent** relating to a mortgage loan purchased by **GMFS**

LLC is determined by **GMFS LLC** and/or its investors to have been inaccurate as of the date made, **Correspondent** agrees to immediately cooperate with **GMFS** to cure any inaccuracies, in so much as a cure is permitted under applicable state or federal law (reference section 2.5.1). In the event, after exhausting all efforts, any inaccuracy cannot be adequately cured, **Correspondent** agrees to repurchase such mortgage loan, should **GMFS LLC** or the then holder of the mortgage loan so request, at a repurchase price payable in case equal to the following (exclusive of any advances made by the servicer thereof): (i) the then unpaid principal balance of the mortgage loan, (ii) all accrued but unpaid interest on the mortgage loan at its note rate, (iii) any fee or other amount, if any, in excess of par previously paid by **GMFS LLC** to **Correspondent** relating to such mortgage loan, and (iv) all expenses, including reasonable legal fees, incurred by **GMFS LLC** or such holder relating to such repurchase, including enforcing **Correspondent's** obligation to repurchase. Upon payment of such repurchase price, **GMFS LLC** shall endorse and assign without recourse or warranty whatsoever, or shall cause the holder thereof to endorse and assign, the promissory note and mortgage to **Correspondent**.

- 7.2 **Correspondent** herewith agrees to indemnify and hold **GMFS LLC**, and its related corporations, LLC's, other entitles, officers, directors, shareholders, employees and agents harmless from any and all loss, injury, damage, expense and/or liability to any and all persons resulting from any breach of **Correspondent's** covenants, responsibilities, representations or warranties under this Agreement, or otherwise arising from or relating to any acts or omissions, whether willful, negligent or otherwise, of **Correspondent** or its employees or agents. Such indemnification shall include, but not be limited to, interest, reasonable attorneys' fees by counsel of **GMFS LLC's** and/or such other person's choice, appraisers' costs, investigators' fees, experts' fees and such other costs and disbursements as may be incurred by **GMFS LLC** and such other persons in connection with such matters subject to indemnification by **Correspondent**, as well as any damages however assessed.
- 7.3 **Early Pay Off.** An early payoff is defined as any loan, whether a first or second lien loans, that pays off in full within one hundred and eighty (180) days after the purchase date of the loan by **GMFS LLC**. When an early payoff occurs if the payoff proceeds were sent to the **Correspondent**, the **Correspondent** is obligated to forward the payoff proceeds to **GMFS LLC**. Further, the **Correspondent** is obligated to refund the servicing release premium and other premium pricing paid to the **Correspondent** by **GMFS LLC** for the early payoff loan. **GMFS LLC** will send the **Correspondent** a bill for the refund of the service release premium and/or premium pricing for all early payoff loans. If the loan has been sold by **GMFS LLC** to an investor, the bill may also include an assessment for interest due in the month of payoff.
- 7.4 **The Mortgage** becomes two (2) or more monthly payments past due (delinquent) within four (4) months from the date of sale of the Loan File to **GMFS LLC**. A loan with two (2) monthly payments past due is a loan wherein Mortgagor has failed to pay monthly payments, including all sums due pursuant to the Mortgage contracts, and two (2) payments remain unpaid on the sixteenth day of the month. This provision only applies if **Correspondent** has been granted delegated underwriting authority by **GMFS LLC**.
- 7.5 **Correspondent's** obligations under this Section 7 shall survive the termination of this Agreement for any reason.
- 7.6 Should a dispute concerning the repurchase of a loan arise between **GMFS, LLC** and **Correspondent**, either party, or both parties, may raise its complaint in a court of competent jurisdiction, as further outlined in section 13.3.

8 RIGHT OF SETOFF

- 8.1 Any money owed to **Correspondent** by **GMFS LLC** may, at the sole discretion of **GMFS LLC**, be used by **GMFS LLC** to set off any monetary obligation, however arising, from **Correspondent** to **GMFS LLC**. To that end, **Correspondent** grants to **GMFS LLC** a contractual possessory security interest in and to all monies as may from time to time be in the possession of **GMFS LLC** and owed by **GMFS LLC** to **Correspondent**. This right of setoff may be exercised without prior demand or notice and to the fullest extent permitted by applicable law. Unless agreed to by **GMFS LLC** in writing, no setoff exercised by **GMFS LLC** shall be deemed or construed as an accord and satisfaction.

9 NON-WAIVER

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

10 RELATIONSHIP OF THE PARTIES

- 10.1 It is agreed that **Correspondent** and **GMFS LLC** are not partners or joint ventures, but shall have the status of and act in all matters hereunder as independent contractors as set forth more specifically in Section 1 above. **Correspondent** is not an agent or partner of **GMFS LLC**, has no authority, and is intended to have no power, to create, extinguish or modify any right, obligation or liability of **GMFS LLC** to any person whatsoever.
- 10.2 The parties agree that **GMFS LLC's** agreements hereunder with **Correspondent** are solely with and shall be construed solely to apply to **Correspondent**. All discussions and representations by **Correspondent** to prospective borrowers shall not be binding upon **GMFS LLC**. No authority is granted to **Correspondent** under the terms of this Agreement to make any representation to such prospective borrowers other than in writing and as expressly permitted by this Agreement.

11 CONFIDENTIALITY

- 11.1 Each party agrees it will not use for its own benefit, and will not disclose to any person or entity other than its auditors, attorneys, accountants, and governmental or regulatory authorities exercising supervision over it (unless compelled to do so by a validly issued subpoena or other judicial or administrative order, and then only with prior notice to the other party), confidential information relating to the other party, or the other party's customers, which it may acquire during the term of this Agreement. Confidential information includes all customer data regulated by governmental agencies, proprietary technology, processes, or other non-public information. The obligations of each party under this Section 11 shall survive termination of this Agreement

for any reason.

- 11.2** In accordance with the Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801-6809) and its implementing regulations, **GMFS LLC** has developed and implemented, and during the term of this Agreement, will maintain a comprehensive information security program that contains administrative, technical, and physical safeguards to: (a) ensure the security and confidentiality of customer information; (2) protect against any anticipated threats or hazards to the security or integrity of such information; and (3) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. **GMFS LLC** agrees to provide to **Correspondent**, upon request, copies of information security policies and procedures.
- 11.3** **GMFS, LLC** and **Correspondent** have a responsibility to their customers and other consumers to keep nonpublic information strictly confidential and may only share information as outlined in its respective Privacy Policy, and as required or necessary in the course of performing and fulfilling its duties. **GMFS, LLC** and **Correspondent** will treat confidential, non-public, personally identifiable information with care and take appropriate measures to secure and safeguard such information. **GMFS, LLC** and **Correspondent** acknowledge that they are required to comply, and do comply, with the information security standards required by the Gramm-Leach-Bliley Act (15 U.S.C. 6801, 9805(b)(1)) and the regulations issued under (12 C.F.R. Part 40), and with any other related statutory, legal and regulatory requirements. **GMFS, LLC** and **Correspondent** acknowledge that they maintain an internal security information program and that their employees receive continued training related to the importance of safe guarding confidential, non-public personally identifiable information. **GMFS, LLC** and **Correspondent** acknowledge that in the event of a privacy breach, each will independently execute their respective policies and procedures concerning privacy breaches.

12 TERM AND TERMINATION

- 12.1** This Agreement shall be in effect for a term commencing as of the date of this Agreement and terminating upon sixty (60) days prior written notice by either party to the other party stating that the party giving notice elects to terminate this Agreement. Such notice shall be given in the manner set forth in Section 13.4 and shall be effective as set forth therein. This Agreement shall terminate promptly upon the expiration of the sixty (60) day notice period, and may be terminated in such manner by either party without cause and without necessity for the stating of cause. The representations and warranties of **Correspondent** set forth herein shall survive the termination of this Agreement for any reason for a period of three years and the obligations of **Correspondent** with respect to all loans submitted or in process under this Agreement prior to the termination of this Agreement shall also survive such termination for any reason. The obligations, representations, and warranties of **GMFS LLC** set forth herein shall survive the termination of this Agreement for any reason for a period of three years, and the obligations of **GMFS, LLC** with respect to all loans submitted or in process under this Agreement prior to the termination of this Agreement shall also survive such termination for any reason.

13 MISCELLANEOUS

- 13.1** This Agreement supersedes and is in lieu of all prior contracts, discussions, agreements and arrangements by and between the parties hereto with respect to the subject matter hereof, all of which are merged into it. This Agreement cannot be assigned or otherwise transferred, in whole or in part, by operation of law or otherwise, by **Correspondent** without the express prior written consent of **GMFS LLC**.
- 13.2** This Agreement is binding upon and shall inure to the benefit of the successors and assigns of the parties hereto subject to the aforesaid limitation on **Correspondent's** right to transfer, assign or interpose other parties. Not by way of limitation or exclusion, the representations and warranties of **Correspondent** and its indemnification, repurchase and other obligations shall inure to the benefit of persons to whom **GMFS LLC** may sell the loans purchased by it under this Agreement and such persons may assert the rights of **GMFS LLC** hereunder directly against **Correspondent**.
- 13.3** This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana, without regard to its choice of law principles. Each party consents to the personal jurisdiction of any State or Federal Court in a jurisdiction mutually agreed upon by the parties. If any litigation is commenced between the parties or related to the parties to this Agreement concerning this Agreement, or the rights and duties of either party in relation thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorney's fees in such litigation or in a separate action brought for that purpose.
- 13.4** Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to either party hereto by the other party to this Agreement shall be in writing and shall be deemed duly served or given when personally delivered to the other party, when transmitted by facsimile and confirmed within 24 hours by telephone, when delivered by a nationally recognized overnight delivery service (such as Federal Express), or two days after deposited in the United States Mail (i.e. 2nd day priority mail), first-class postage prepaid, certified return receipt requested, addressed as follows (or to such other address as either party may hereafter designate): to **GMFS LLC** at 7389 Florida Blvd., Suite 200A, Baton Rouge, Louisiana 70806; telephone confirmation at (225) 214-5000; to **Correspondent** as indicated after its signature below.
- 13.5** This Agreement shall only be amended in writing entered into and executed by the parties. **Correspondent** acknowledges that from time to time, due to the nature of the regulatory changes in the mortgage lending business, there may be cause for procedural, policy, terms and/or condition changes; therefore, **Correspondent** agrees that **GMFS LLC** may amend the procedural and policy terms and/or conditions that must be satisfied in order to sell loans to **GMFS LLC**, via **GMFS LLC's Correspondent** Selling Guide, at any time by reasonable notice, including without limitation by posting revised procedural, policy terms and/or condition changes on its website at www.gmfspartners.com. These conditions shall be binding

upon **Correspondent**.

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

13.7 **Correspondent** warrants that the information provided by **Correspondent** to **GMFS LLC** on the **Correspondent** application submitted in connection herewith is true, accurate and complete. **Correspondent** understands that **GMFS LLC** has relied on the application in deciding to enter into this Agreement. **Correspondent** shall immediately advise **GMFS LLC** if any of the information in any application has become inaccurate and if its license has become impaired, suspended, or revoked and if its financial position or ability to discharge its obligations under this Agreement has changed to the detriment of **GMFS LLC**.

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

14 EXHIBITS

14.1 The following Exhibit(s) are attached hereto and made a part of hereof as fully as incorporated herein. Exhibit A is the MERS Compliance Agreement and describes the responsibilities of each party.

14.2 For SOUTH CAROLINA ONLY:
By signing this **Correspondent** Loan Purchase Agreement, the undersigned **Correspondent** agrees now and in future to only employ duly licensed mortgage originators as defined in The South Carolina Licensing Requirement Act of Certain Loan Brokers of Mortgages on Residential Real Property ("the Act").

CORRESPONDENT LOAN PURCHASE AGREEMENT SIGNATURE PAGE

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

WITNESSES:

CORRESPONDENT:

Signature: _____

Printed Name: _____

Its: _____

Date: _____

Address: _____

WITNESSES:

GMFS LLC

By: _____

Name: _____

Its: _____

Date: _____



GMFS LLC (hereinafter referred to as “GMFS”) has entered into an Agreement to use the MERS system and to comply with MERS industry standards and procedures in processing and closing mortgage loans. In order for GMFS LLC to meet these requirements, all **Correspondents** must be “Lite” members of MERS and agree to meet all MERS industry standards, requirements and procedures. In order to maintain eligible delivery status to GMFS as a **Correspondent Correspondent**, seller must submit proof of annual MERS Lite renewal within thirty (30) days of renewal date. **Correspondents** agree to meet the requirements and procedures set forth herein, or in later written notifications, including specifically, but not exclusively, the following:

CORRESPONDENT CORRESPONDENTS THAT CHOOSE TO BROKER CERTAIN PRODUCTS AND CLOSE WITH GMFS FUNDS ON THOSE PARTICULAR PRODUCTS:

1. **Correspondent** will originate mortgage loans for GMFS under a committed table funded arrangement utilizing the “MERS as Original Mortgagee” (MOM). For this purpose, **Correspondents** are defined as customers for whom GMFS underwrites loans and provides funds, and the loan documents are executed in the name of GMFS.
2. Prior to closing, GMFS will prepare the closing documents for the mortgage loans. GMFS will supply a mortgage identification number (“MIN”) for assignment to **Correspondent**.
3. An approved Closing Agent will close and record the security instrument in the appropriate recorder or clerk’s office using documentation with the MOM authorized language and the MIN supplied by GMFS.
4. GMFS will acquire the mortgage loans from **Correspondent** with servicing released to GMFS and GMFS will register loans on the MERS system.

CORRESPONDENT LOANS WHERE GMFS EXECUTES DOCUMENTS BUT FUNDED BY CORRESPONDENT:

Correspondent will originate mortgage loans for GMFS under a committed Secondary Market arrangement utilizing the MERS as Original Mortgagee (“MOM”) concept but will utilize GMFS MERS information for closing. For this purpose, **Correspondents** are defined as customers for whom GMFS underwrites loans, the **Correspondent** provides funds, and the loan documents are executed in the name of **Correspondent**.

1. Prior to closing, GMFS will prepare the closing documents for the mortgage loans. GMFS will supply a mortgage identification number (“MIN”) for assignment to **Correspondent**.
2. **Correspondent** or approved Closing Agent will close and record the security instrument in the appropriate recorder or clerk’s office using documentation with the MOM authorized language and the MIN supplied by GMFS.
3. GMFS will acquire the mortgage loans from **Correspondent** with servicing released to GMFS and GMFS will register the loans on the MERS system.

CORRESPONDENT LOANS CLOSED WITH OWN DOCUMENTS

1. For this purpose, **Correspondents** are defined as customers for whom GMFS underwrites loans and the **Correspondent** provides funds and the loan documents are executed in the name the **Correspondent**.
2. Prior to closing, **Correspondent** will prepare the closing documents for the mortgage loans. **Correspondent** will supply a mortgage identification number (“MIN”) and **Correspondent** or closing Agent will close and record the security instrument in the appropriate recorder or clerk’s office using documentation with the MOM authorized language and their MIN.

3. **Correspondent** will register the loan with MERS, within 6 days of the Note date. The **Correspondent** will identify themselves as the Originating Organization of the loan when registering the loan with MERS. Failure to register the loan within 6 days of the Note date may result in monetary penalty from MERS and/or revocation of MERS membership.
4. On the date that the purchase of the loan is funded by GMFS, the **Correspondent** will complete a TOS/TOB transfer in the MERS system. The 'New Servicer/Investor' will reflect to GMFS LLC (Org ID 1002480). Failure to complete the TOS/TOB on the date of funding from GMFS will result in MERS errors as GMFS will seek to move the loan directly into a new investor pool, which requires that the **Correspondent** TOS/TOB is complete



Corporate Resolution

CERTIFICATE OF CORPORATE RESOLUTION

This is to certify that at a Special Meeting of the Board of Directors of _____ a _____(Corporation) , duly called and held on the _____ day of _____, 2010, in the principal office of the corporation in _____, _____ at which a quorum was present, the following resolution was unanimously adopted, as shown by the Minute Book of said corporation, to-wit:

WHEREAS, _____ the, _____ of this corporation, is about to execute a Loan Purchase Agreement with GMFS LLC, under which this corporation will from time to time sell to GMFS LLC certain assets of this corporation consisting of promissory notes or contracts;

WHEREAS, it is the opinion of this Board of Directors that such sales of assets are in the best interest of this corporation;

NOW, THEREFORE, BE IT RESOLVED, that the execution and delivery of a Loan Purchase Agreement between GMFS LLC and this corporation for the sale from time to time of assets by this corporation to GMFS LLC for such consideration as GMFS LLC considers adequate and sufficient and upon such terms and conditions and with such covenants and warranties as _____ considers necessary and desirable, be and the same is hereby authorized, approved and ratified as the act and deed of this corporation.

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

Company Name: _____

By: _____

Its: _____

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, _____, acting on behalf of the Company, have made, constituted, and appointed and by these presents do make, constitute, and appoint GMFS LLC ("Assignee") as the Company's true and lawful agent and attorney-in-fact, for the Company and in the Company's name, place, and stead to execute, endorse, acknowledge, and deliver such documents and to take whatever action as such attorney-in-fact may deem necessary and appropriate for the purpose of negotiating, assigning, and transferring from the Company to Assignee mortgage notes, mortgages, deeds of trust, and any documents related to the real property described in the Security Instrument or other document. This authority is granted solely in connection with mortgage loans purchased by Assignee, and transferred from Company to Assignee.

The Company hereby gives such attorney-in-fact full power and authority to do and perform all and every act and thing whatever requisite and necessary to be done in connection with the purpose stated herein as fully to all intents and purposes as the Company might or could do, hereby ratifying and confirming on behalf of the Company whatever such attorney-in-fact shall or may do by virtue hereof.

This General Power of Attorney shall remain in effect for the purpose stated herein until specifically revoked in writing. In the event this General Power of Attorney is filed or recorded, such written revocation must be similarly filed or recorded.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____, in the capacity stated herein.

Company Name _____

By: _____

Its: _____

(Printed Name and Title)

STATE OF _____

COUNTY/PARISH OF _____

I, _____, _____, certify that _____ personally came before me this day and acknowledged that he/she is _____ of _____, and that he/she as _____, being authorized to do so, executed the foregoing on behalf of the entity.

Witness my hand and official seal this the _____ day of _____, 20_____.

Notary Public

(Printed Name)

(Seal)

My commission expires: _____

Bar Roll # _____

Addendum No. 1 to Delegated Correspondents Purchase Agreement

This Addendum No. 1 to the Delegated **Correspondent** Purchase Agreement, (this "Addendum No. 1"), is entered into and effective as of _____ day of _____, 20____, by and between GMFS LLC and Delegated **Correspondent**. As a Delegated **Correspondent** of GMFS LLC, by signing below, I acknowledge that I understand and will adhere to the following definitions, representations and responsibilities.

DEFINITIONS

1. Ability to Repay Standards: The standards set forth in Regulations Z, 12 C.F.R. Part 1026.43(c), as maybe amended from time to time.
2. Qualified Mortgage: As defined in Section 129C of the federal Truth-In-Lending Act, 15 U.S.C. 1639c, and as further defined in Regulation Z, 12 C.F.R. Part 1026.43(e), as maybe amended from time to time.
3. HOEPA, "Section 35 Loans": Regulation Z (TILA) 12 C.F.R. Part 226.35 as maybe amended from time to time.
4. Repurchase Price: Unpaid Principal Balance plus Accrued Interest plus Purchase Premium paid by GMFS LLC plus any Escrow Shortages that exist.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, GMFS LLC and Delegated **Correspondent** agree as follows:

GMFS LLC will be performing a data integrity review of the file based on the income and asset calculations used by the Delegated **Correspondent**. GMFS LLC will review the AUS Findings to ensure that the income and assets used in the AUS are those reflected in the bank statements and income analysis worksheets that are presented by the Delegated **Correspondent**. GMFS LLC will also perform a review of the names and property addresses to ensure consistency and accuracy on all documentation throughout the file.

It is agreed and understood that GMFS LLC will not be re-underwriting the file. The Delegated **Correspondent** is solely responsible for the validity of the AUS Findings, that the income and asset calculations are correct, and that all of the QM requirements have been met with respect to the Points and Fees Test, the Ability To Repay Test, the Section 35 Test and all other regulatory disclosure requirements pertaining to each loan delivered to GMFS LLC. It is further understood that in the event of a repurchase demand from a GMFS LLC investor, that the Delegated **Correspondent** will be afforded a reasonable amount of time (not to exceed 30 days from date of notification of the repurchase demand) to correct any defects that are the cause of the repurchase demand.

In the event the Delegated **Correspondent** is unable to cure such defects to the satisfaction of the investor, it is further understood and agreed that the loan will be repurchased by the Delegated **Correspondent** immediately upon demand.

IN WITNESS WHEREOF, GMFS LLC and Delegated **Correspondent** have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

GMFS LLC

By: _____

Name: _____

Title: _____

Delegated **Correspondent** Lender

By: _____

Name: _____

Title: _____



CORRESPONDENT CREDIT AUTHORIZATION

_____, as the primary/principal individual responsible for mortgage operations at _____ (“Correspondent/Applicant”), hereby authorizes GMFS, LLC to order and obtain a consumer credit report, in addition to a business health screening report for the sole purpose of determining whether the individual listed above and the Correspondent meets the minimum credit requirements and business health status for approval under GMFS, LLC’s correspondent program:

Name: _____ Title: _____

Social Security #: _____

Home Address _____

Street

City, St

Zip

Signature: _____



BROKER APPRAISAL INDEPENDENCE CERTIFICATION

I, _____, as principal for _____ hereby acknowledge that _____ is aware of and complies with all applicable appraisal independence laws and agency guidelines, including those under the Truth-in-Lending Act, and GSE seller/servicer guidelines. I further certify that loan originators are not involved in the selection of any appraisers used, nor do they attempt to influence the value of any property securing a mortgage loan originated by this company.

To ensure Appraisal Independence requirements and related agency guidelines are met, on conventional loans, GMFS requires all broker organizations to order appraisals through its Encompass Third Party Originator Connect (“TPOC”) system. GMFS uses the Reggora AMC Management platform (“Reggora”), where all appraisal orders are submitted. Reggora will then select an AMC from GMFS’ approved list of AMCs. Reggora will select the most appropriate AMC based on multiple factors, including, but no limited to: coverage in the subject property city and state, turn time, appraisal quality, and cost. Brokers are not permitted to select their own AMCs or use any appraiser panels.

As it relates to FHA and USDA loans, GMFS requires all brokers to order appraisals through GMFS approved Appraisal Management Companies, which are as follows:

- ACT Appraisal
- Accurate Group, LLC
- Appraisal Management Resources
- DART Appraisal
- Equity Valuation Partners
- Market Valuation Services, LLC
- Momentum Appraisals

Signature of Principal

Printed Name of Principal

Date



124GMFS Correspondent Approval Checklist					
Correspondent Name					
Principal Owner/Member					
Address					
Phone #		Fax#			
Email					
Tax ID #		Wire Info			
<u>Document List</u>		<u>Yes</u>	<u>No</u>	<u>Pending</u>	
NMLS# active (# _____ and expiration date _____)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Explanation for any regulatory actions reported on NMLS.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Correspondent in business for at least 2 years?		<input type="checkbox"/>	<input type="checkbox"/>	N/A	
Fidelity Bond \$		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial Information (Actual Net Worth Minimum \$75,000 non-delegated - \$250,000 delegated)					
FDIC (banks only)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial Statement (Last full year)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Most Recent Annual Report		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Compensation Plan (if brokering FHA)%		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Quality Control Plan		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Loan Fraud Prevention Plan (signed)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Completed GMFS Application (signed)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Authorization to Release (signed)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
TPO Connect Client User List		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Correspondent Purchase Agreement (executed)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Resume for Principal Officer(s)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Hiring Procedures (check against GSA, HUD LDP, FHFA, & SCP lists)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
General Power of Attorney		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Appraisal Independence Policy or Certification		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Kroll Business Insight		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Neighborhood Watch Program (score <150)		Score:			
Encompass #		MERS #		FHA #	
<u>GMFS OFFICE ONLY</u>			Received On:		
Review Completed By:				Date:	
Recommendation		Approved <input type="checkbox"/>		Denied <input type="checkbox"/>	
Approved By:				Date:	