



**GMFS TPO MORTGAGE APPLICATION**  
**BROKER/CORRESPONDENT**

Last updated 06/2024

GMFS LLC is an Equal Housing Lender. All mortgages are originated by GMFS LLC. NMLS #64997.

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## GMFS BROKER APPLICATION

### GENERAL INFORMATION

- 1.1 What is the full legal name of your company?
- 1.2 What is your organizations state of incorporation?
- 1.3 What is your federal tax ID number?
- 1.4 What is your company's NMLS ID number?
- 1.5 What state(s) is your company licensed in?  
If you are a banking institution type in NA.
- 1.6 What is the address of the home/corporate office?
- 1.7 What is the telephone number or home/corporate office?
- 1.8 What is the name, telephone number, and email address of the **primary point of contact**?  
Name  
Telephone #  
Email
- 1.9 Please select your institution type from the below list.
- 1.10 Please select your institution type from the below list.
- 1.11 I have uploaded a list of three (3) investors you have sold loans to in the last six (6) months. Yes      No
- 1.12 Please provide the name, social security number, date of birth, and home address for the principal/primary person responsible for mortgage lending. GMFS requires this information in order to obtain a soft pull credit report in compliance with agency counterparty due diligence guidelines. A soft pull will not adversely impact your credit score or reflect an inquiry on your credit report.  
Name  
Social Security #  
Date of Birth  
Address

## OPERATIONS AND ORGANIZATION DETAILS

- 2.1 What is the name of the Parent Corporation (if applicable)?
- 2.2 Are you an approved FHA Lender? **Yes**    **No**  
 If yes, please provide your FHA Number. **Yes**    **No**
- 2.3 Are you an approved MERS member? **Yes**    **No**  
 If yes, please provide your MERS organization number.
- 2.4 Will the broker have branches that will close loans using the branch address? **Yes**    **No**  
 If so, please specify which branches (including address, contact person, telephone number and facsimile number) on a separate sheet.
- 2.5 If seeking approval to enter into a Mortgage Broker Loan Purchase Agreement (for Intermediaries) (see top of contact to determine applicability), will "third party originators" submit loans directly to GMFS LLC? **Yes**    **No**
- 2.6 If answered yes to question 2.5 N/A Will "third party originators" close loans in their name? **Yes**    **No**  
 If so, please specify authorized third party originators (including name, address, contact person, telephone number and facsimile number) on a separate sheet.
- 2.7 Have any of your principal officers, directors, partners or owners of a 5% or more interest ever been (attach additional sheets if necessary) any of the following? **Yes**    **No**
- Convicted of a crime or named in a pending criminal proceeding (excluding traffic violations or other minor offenses)?
  - Subject to any order, judgment or decree enjoining the engagement of any activities in connection with any type of business transaction (including the purchase or sale of a security) or acting as (or as an associated or affiliated person of) an investment advisor, underwriter, broker, dealer, financial institution, or any other business?
- If yes, please describe on a separate piece of paper and attach.
- 2.8 Have any of your principal officers, directors, partners or owners of a 5% or more interest ever been (attach additional sheets if necessary) any of the following? **Yes**    **No**
- Suspended, terminated debarred, denied approval or suspended by HUD, FNMA, Freddie Mac, GNMA, FHA/VA or any mortgage insurance Mortgage Broker, warehouse Mortgage Broker, secondary market investor, conduit or Mortgage Broker?
  - Made insolvent, made a general assignment for the benefit of creditors, declared bankrupt, suffered or permitted the appointment of a receiver for its business or assets, liquidated, or denied fidelity insurance coverage or mortgagee's errors and omissions insurance coverage?
- If yes, to any of these questions, please provide a description in a separate paper attached.

2.9 Are there any actions, claims, inquiries, investigations, suits or proceedings pending at law or in equity or before or by any government agency, or to the knowledge of your company, threatened against or affecting your company or any of its principal officers, directors, partners or owners of 5% or more interest which reasonably may be expected to result in any material adverse change in the business, operations, assets or condition of your company? Yes No

If yes, please provide a description on a separate paper attached.

2.10 Is your institution the subject of any material litigation, assessments, or contingent liabilities not disclosed in your financial statements (attach additional sheets if necessary)? Yes No

2.11 ECOA requires that creditors “routinely” provide the applicant with a (A) copy of the appraisal report or (B) the statutory notice that the applicant has a right to request a copy of the appraisal. This is considered a portion of the initial, time sensitive disclosure package, and as a result, is required as part of the loan submission process to GMFS LLC.  
In order to simplify this submission process, we would like to document our files as to the procedure you have implemented. Please indicate your response below:

2.12 Do you have any relationships with any Closing Agents (Title Companies/Attorneys), Appraisers, Realtors etc. that have an Affiliated Business Agreement with, or any agreement that allows your company to receive compensation from the relationship (such as fees will be included in HOEPA/High Cost Testing)? Yes No

If yes, please provide those relationships on an separate uploaded paper with:  
Company Name  
Address/Phone  
Principal Owner

2.13 Will you or any of your offices close Texas Equity Home Equity (A6) Loans? Yes No  
If yes, under which category below do you fall as a Licensee?

### PRODUCT SPECIFIC QUESTIONS

3.1 Will you be brokering conventional OTC loans? Yes No  
GMFS must disclose these loans.

3.2 Will you be brokering conventional expanded guideline loans (i.e. DSCR)? Yes No  
GMFS must disclose these loans.

3.3 Who will be disclosing your brokered loans? (select one)

## Quality Control Plan

[ ], 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 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: \_\_\_\_\_





## BROKER/CORRESPONDENT COMPENSATION AGREEMENT

<b>Broker Name:</b>	
<b>Tax ID#:</b>	
<b>Address:</b>	
<b>Effective Date:</b>	

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



**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



## 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



**II. Statement of Certification**

The undersigned entity hereby represents and warrants that: (1) all information contained in this Application for GMFS LLC Mortgage Broker Approval 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 Mortgage Broker 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: \_\_\_\_\_

Social Sec # \_\_\_\_\_

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



## **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:



## MORTGAGE BROKER AUTHORIZATION

\_\_\_\_\_ ("Broker") Broker hereby consents and gives GMFS LLC ("Lender") permission to submit the name of Applicant's company and any and all of that company for screening through any and all mortgage industry background databases available or in use at any time by the Lender. Applicant understands that Lender understands and hereby consents to the release of information about any loan application that is believed to contain misrepresentation and/or irregularities. Applicant agrees and gives its consent that it and its employees may be named as the originating entity or loan officers on such loans, whether or not Applicant or its employees are implicated in the misrepresentations and/or irregularities. Applicant hereby releases and agrees to hold harmless Lender, or its vendors, and trade associations from any and all liability for damages, losses, costs/and expenses that may arise from the reporting or use of any information submitted by Lender or its vendor(s). All owners with 10% or more ownership interest must provide signed authorization.

Broker hereby authorizes Lender to order a consumer credit report and verify other credit information on all of the individuals listed below, for the sole purpose of determining whether Broker meets the minimum credit requirements for approval under its broker approval program:

Name: _____	Title: _____
Social Sec. # _____	
Signed: _____	Date: _____
Name: _____	Title: _____
Social Sec. # _____	
Signed: _____	Date: _____
Name: _____	Title: _____
Social Sec. # _____	
Signed: _____	Date: _____
Name: _____	Title: _____
Social Sec. # _____	
Signed: _____	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 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**

By: \_\_\_\_\_

**Signature of Principal Officer**

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"**

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**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.



# MORTGAGE BROKER LOAN PURCHASE AGREEMENT

*For Licensed Mortgage Brokers and Mortgage Bankers*

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 "**Mortgage Broker**").

## RECITALS

**GMFS LLC** and **Mortgage Broker** have agreed to enter into an agreement in which **Mortgage Broker** 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. **Mortgage Broker** includes all subsidiaries, affiliates, correspondents, branches and any related parties.

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

### 1.0 ORIGINATION AND PURCHASE OF MORTGAGE LOANS

- 1.1 **Mortgage Broker** 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. **Mortgage Broker** warrants that each such mortgage loan approved and purchased by **GMFS LLC** shall conform in all respects to all the terms, conditions, representations, warranties and covenants contained in this Agreement. Nothing in this Agreement shall be construed as obligating **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 **Mortgage Broker**, **Mortgage Broker** 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 **Mortgage Broker** 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 **Mortgage Broker**, 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 **Mortgage Broker** 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 notice to **Mortgage Broker**.
- 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. **Mortgage Broker** and **GMFS LLC** expressly agree and acknowledge that **Mortgage Broker** 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 MORTGAGE BROKER

As an inducement to **GMFS LLC** to enter into this Agreement and to purchase loans hereunder, **Mortgage Broker** 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,

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responsibilities and obligations set forth herein and therein. All representations and warranties of **Mortgage Broker** 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 **Mortgage Broker** is a licensed Mortgage Broker or Mortgage Banker, and an independent contractor, and **Mortgage Broker** shall not make any representations in any manner that **Mortgage Broker** is the agent, servant, employee, representative, partner or co-venturer of **GMFS LLC**. **Mortgage Broker** 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 **Mortgage Broker** shall not represent in any manner to anyone that **Mortgage Broker** has any such authority.
- 2.2 If **Mortgage Broker** is a corporation, LLC, or any type of legal entity required to be licensed by a state, **Mortgage Broker** 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, **Mortgage Broker** 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 **Mortgage Broker** and designating the individuals who are authorized to bind **Mortgage Broker** for all mortgage loans to be purchased by **GMFS LLC** hereunder.
- 2.3 **Mortgage Broker** represents and warrants that **Mortgage Broker** 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, **Mortgage Broker** will renew all licenses required hereunder prior to their expiration, and it will fully comply with all applicable laws, ordinances and regulations. **Mortgage Broker** will immediately notify **GMFS LLC** if any license is not renewed or is suspended or canceled for any reason.
- 2.4 **Mortgage Broker** agrees to obtain descriptions from **GMFS LLC** of **GMFS LLC's** available loan programs, and to accurately explain such programs to prospective borrowers. **Mortgage Broker** shall explain to prospective borrowers only the specific and available loan programs at current interest rates provided by **GMFS LLC**. Upon completing or receiving a completed application, as defined in the Truth In Lending Act, **Mortgage Broker** 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 and forms required by Federal, State or local law in connection with **Mortgage Broker's** activities hereunder. **Mortgage Broker** also agrees to disclose any fees to be paid to **Mortgage Broker** at closing on such Loan Estimate, in connection with a borrower paid compensation transaction, and any other forms that require disclosure of such fees.
- 2.5 **Mortgage Broker** warrants that all loan applications and related loan packages submitted by **Mortgage Broker** to **GMFS LLC** hereunder will have been fully investigated by **Mortgage Broker**, all material representations contained in such applications will have been investigated or ascertained by **Mortgage Broker** in accordance with prudent underwriting practices, 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 that **Mortgage Broker** shall obtain accurate and reliable credit reports from credit reporting agencies and must order all real estate appraisals through an appraisal management company ("AMC") and comply with all federal and agency appraisal independence requirements. **Mortgage Broker** shall be responsible for all costs and expenses incurred by **Mortgage Broker** including real estate appraisals, credit reports and any other costs and expenses.
- 2.6 **Mortgage Broker** agrees to make prompt, timely, full, accurate and truthful disclosures to **GMFS LLC** of all facts, information and documentation of which **Mortgage Broker** may know, suspect or have actual or constructive notice that could or has affected the validity, collectability, security and/or enforceability of any loans to be purchased by **GMFS LLC**, including all facts, information and documentation relating to any disputes, proceedings, litigation or governmental action threatened, anticipated, or pending, respecting the borrowers, the subject real property, or the loan transactions, as well as all facts, information and documentation relating to the borrowers, their creditworthiness or the value or condition of the related properties. Any alteration, deterioration, waste or destruction (complete or partial) or other damage or injury to the related property which affects its value or condition, or otherwise affects or impairs any security to be granted to **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 **Mortgage Broker** to **GMFS LLC** immediately upon **Mortgage Broker's** first ascertaining such facts or information, and, in any event, not later than **Mortgage Broker** should, exercising reasonable diligence, first have become aware of such facts or information.

- 2.7 **Mortgage Broker** warrants and represents that (a) the execution and delivery of this Agreement by **Mortgage Broker**, and the obligations which it will perform hereunder, do not, and will not, violate any provision of any contract, law, rule, regulation, order, writ, judgement, injunction, decree, determination or award having applicability to **Mortgage Broker** or the Articles of Incorporation, Bylaws or other organizational documents of **Mortgage Broker**, nor with notice or passage of time or both, would constitute such violation; and (b) there are, to **Mortgage Broker's** knowledge, no actions, suits or proceedings pending or threatened against or affecting **Mortgage Broker** or the properties of **Mortgage Broker** before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to **Mortgage Broker**, would have a material adverse affect on the financial condition, properties or operations of **Mortgage Broker**.
- 2.8 **Mortgage Broker** 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. **Mortgage Broker** further warrants that all notes, assignments, agreements, documents and other instruments purporting to be executed by an officer, employee, representative or agent of the **Mortgage Broker** are and shall be genuine, authorized, valid and binding, and shall constitute valid, binding and enforceable obligations of **Mortgage Broker**.
- 2.9 **Mortgage Broker** 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 RIGHTS AND RESPONSIBILITIES OF GMFS LLC

- 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 **Mortgage Broker** 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 **Mortgage Broker** of such written approval.
- 3.2 The relationship between **GMFS LLC** and **Mortgage Broker**, 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 Mortgage Brokers from time to time in the sole discretion of **GMFS LLC** and without notice to **Mortgage Broker**, whether or not similar to the arrangements set forth in this Agreement. **Mortgage Broker** 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, **Mortgage Broker** hereby grants permission to **GMFS LLC** to verify any information regarding any loan package or documents subject to this Agreement.
- 3.4 **Mortgage Broker** shall provide all documentation, facts, information and other assistance as may be required or otherwise requested by **GMFS LLC**, relating to the origination, application, processing, funding and closing of any loans submitted by **Mortgage Broker** to **GMFS LLC**.

### 4 LOAN REVIEW

- 4.1 **Mortgage Broker** acknowledges that in the course of its business **GMFS LLC** may conduct quality control audits to reverify or assure **GMFS LLC** of the accuracy of the information submitted to it by **Mortgage Broker** and prospective borrowers. No such audits shall relieve **Mortgage Broker** of any duty or obligation hereunder, nor shall such audits or the information obtained by **GMFS LLC** as a result thereof relieve **Mortgage Broker** of its obligations hereunder or constitute a waiver of any claim by **GMFS LLC** arising from the inaccuracy of any warranties or representations of **Mortgage Broker** hereunder.

### 5 LOAN RATES AND FEES

- 5.1 All loan rates and fees quoted by **GMFS LLC** to **Mortgage Broker** 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 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 **Mortgage**

**Broker**, (2) is related by common ownership or control to **Mortgage Broker**, or (3) shares its profits or losses with **Mortgage Broker**. The term "**Mortgage Broker**" in this Agreement includes **Mortgage Broker's** affiliates, partners, directors, officers, employees and agents. **Mortgage Broker'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 **Mortgage Broker**. Nothing in this provision is intended to preclude an employee of **Mortgage Broker**, 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 **Mortgage Broker** by another Mortgage Broker who will receive any compensation from **Mortgage Broker**, 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 **Mortgage Broker's** activities undertaken in connection with this Agreement, and all necessary disclosures required by those laws and regulations shall be made by **Mortgage Broker** 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. **Mortgage Broker's** compliance and disclosure obligations under these laws and regulations shall be limited to those that arise from **Mortgage Broker's** activities undertaken hereunder. **GMFS, LLC** shall be responsible for providing other disclosures required by applicable law.

## 7 MORTGAGE BROKER'S REPURCHASE AND INDEMNIFICATION OBLIGATIONS

- 7.1 In the event a representation or warranty by **Mortgage Broker** relating to a mortgage loan purchased by **GMFS LLC** is determined by **GMFS LLC** to have been inaccurate as of the date made, **Mortgage Broker** agrees to immediately repurchase such mortgage loan, should **GMFS LLC** or the then holder of the mortgage loan so request, at a repurchase price payable in cash equal to the following (exclusive of any advances made by the servicer thereof): (i) the then unpaid principal balance of the mortgage loan, (ii) all accrued but unpaid interest on the mortgage loan at its note rate, (iii) any fee or other amount, if any, in excess of par previously paid by **GMFS LLC** to **Mortgage Broker** 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 **Mortgage Broker'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 so endorse and assign, the promissory note and mortgage to **Mortgage Broker**.
- 7.2 **Mortgage Broker** herewith agrees to indemnify and hold **GMFS LLC**, and its related corporations, LLC's, other entities, officers, directors, shareholders, employees and agents harmless from any and all loss, injury, damage, expense and/or liability to any and all persons resulting, or claimed to have resulted, from any breach of **Mortgage Broker'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 **Mortgage Broker** 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 **Mortgage Broker**, as well as any damages however assessed.
- 7.3 **Mortgage Broker's** obligations under this Section 7 shall survive the termination of this Agreement for any reason.
- 7.4 **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 twenty (120) days after purchase date of the loan by **GMFS LLC**. When an early payoff occurs, if the payoff proceeds were sent to the Client, the Client is obligated to forward the payoff proceeds to **GMFS LLC**. Further, the Client is obligated to refund the servicing release premium and other premium pricing paid to the Client by **GMFS LLC** for the early payoff loan.

**GMFS LLC** will send the Client 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.

## 8 RIGHT OF SETOFF

- 8.1 Any money owed to **Mortgage Broker** by **GMFS LLC** may, at the sole discretion of **GMFS LLC**, be used by **GMFS LLC** to setoff any monetary obligation, however arising, from **Mortgage Broker** to **GMFS LLC**. To that end, **Mortgage Broker** 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 **Mortgage Broker**. 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 **Mortgage Broker** 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. **Mortgage Broker** 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 **Mortgage Broker** are solely with and shall be construed solely to apply to **Mortgage Broker**. All discussions and representations by **Mortgage Broker** to prospective borrowers shall not be binding upon **GMFS LLC**. No authority is granted to **Mortgage Broker** 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 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 **GMFS LLC**), 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 consumer data regulated by governmental agencies, proprietary technology, processes, or other non-public information. The obligations of each party under this Section 11 shall survive the termination of this Agreement for any reason.

## 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 **Mortgage Broker** set forth herein shall survive the termination of this Agreement for any reason and the obligations of **Mortgage Broker** 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 **Mortgage Broker** 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 **Mortgage Broker's** right to transfer, assign or interpose other parties. Not by way of limitation or exclusion, the representations and warranties of **Mortgage Broker** 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 **Mortgage Broker**.

- 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 the City of Baton Rouge, State of Louisiana. 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, 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 **Mortgage Broker** as indicated after its signature below.
- 13.5** This Agreement shall only be amended in writing entered into and executed by the parties.
- 13.6** If any portion of this Agreement shall be determined pursuant to a final and nonappealable judgement 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** **Mortgage Broker** warrants that the information provided by **Mortgage Broker** to **GMFS LLC** on the Mortgage Broker application submitted in connection herewith is true, accurate and complete. **Mortgage Broker** understands that **GMFS LLC** has relied on the application in deciding to enter into this Agreement. **Mortgage Broker** shall immediately advise **GMFS LLC** if any of the information in any application has become inaccurate, and if its license has been impaired, suspended, or revoked, and **Mortgage Broker's** 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 Mortgage Broker application submitted by **Mortgage Broker** 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.

Signature Requirements on next page are necessary to execute this agreement.

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**MORTGAGE BROKER 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:**

\_\_\_\_\_  
  
\_\_\_\_\_

**BROKER:**

\_\_\_\_\_

By: \_\_\_\_\_

Name:

\_\_\_\_\_ Its

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

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

\_\_\_\_\_

**WITNESSES:**

\_\_\_\_\_  
  
\_\_\_\_\_

**GMFS LLC**

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

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

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## **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.

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Printed Name

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Signature

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Date





## **GMFS Broker/Correspondent Mortgage Application Additional Documents Needed**

1. Annual financials and most recent quarter end financials
2. E&O Insurance Policy or Fidelity Bond
3. Principal/Owner Resume