



Dear Prospective Wholesale Client,

Thank you for your interest in becoming an approved wholesale broker with iAPPROVE LENDING.

Enclosed you will find a Broker Application Package that will need to be completed in order to obtain your approval. This application package contains all the necessary forms for approval. To effectively minimize the time it takes to qualify your company as an approved client, we ask that you read the application thoroughly and complete each section. The following documents are required for each application submission:

- Completed application
- Completed broker references (minimum of three)
- Broker compensation plan
- Broker agreement/ Addendum to wholesale broker
- Corporate resolution and articles of incorporation (if any)
- Loan fraud & zero tolerance policy
- Current DRE license
- Resume for all principals (minimum of 3 years mortgage experience)
- Most current finances (profit and loss statements and balance sheets)
- W-9
- Current branch licenses (if any)
- Quality control policy worksheet
- Errors and Omissions worksheet (if any)
 - A copy of the policy and endorsements

Once your Application Package is complete, please email it back to leontrinh@iapprovelending.com.

We look forward to working with you and your company and becoming your investor of choice. If you have any questions regarding this checklist and/or the Broker Application process, please contact the Broker Approval Department at 714-775-5353.

Sincerely,
iAPPROVE LENDING



MORTGAGE BROKER APPLICATION

A/E _____

COMPANY NAME _____

COMPANY TYPE _____ CORPORATION _____ SUBCHAPTER S CORPORATION
_____ PARTNERSHIP _____ SOLE PROPRIETORSHIP

DATE OF INCORPORATION _____ FAX _____

PHONE (W) _____ PHONE (M) _____

STREET ADDRESS _____

CITY _____ STATE _____ ZIP _____

BROKER OF RECORD _____ DRE BRANCH LICENSE _____

DATE BUSINESS ESTABLISHED _____ DRE BRANCH LICENSE EXP DATE _____

FEDERAL TAX I D _____ YEAR(S) BRANCH LICENSE HELD _____

ADDITIONAL BRANCHES YES _____ NO _____ IF YES, NAME LOCATIONS _____

OTHER LICENSES HELD (SUBMIT COPIES)

PRINCIPLE/ OFFICERS TITLE % OWNERSHIP HOME ADDRESS

CONTACT PERSON _____ POSITION _____

NAME THREE INSTITUTIONS WHICH YOU HAVE BROKERED OR SOLD MORTGAGE LOANS TO

COMPANY CONTACT ADDRESS PHONE

- 1. _____
2. _____
3. _____

PRODUCTION

PRODUCT TYPE	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
FNMA/ FHLMC "A"				
JUMBO				
FHA/ VA				
A-, B & C				
HARD MONEY				
TOTAL				

NUMBER OF FULL TIME EMPLOYEES



LOAN AGENTS _____

STAFF _____

PLEASE LIST YOUR FEES

LOAN ORIGATION \$ _____

PROCESSING \$ _____

OTHER \$ _____ DESCRIPTION _____

AGENCY APPROVALS

ARE YOU FNMA APPROVED? YES NO (IF YES, COMPLETE THE FOLLOWING)

SELLER SERVICER

APPROVAL DATE _____

FNMA SELLER/ SERVICER # _____

ARE YOU FHLMC APPROVED? YES NO (IF YES, COMPLETE THE FOLLOWING)

SELLER SERVICER

APPROVAL DATE _____

FHLMCA SELLER/ SERVICER # _____

ARE YOU FHA APPROVED? YES NO (IF YES, COMPLETE THE FOLLOWING)

FHA # _____

APPROVAL DATE _____

ARE YOU VA APPROVED? YES NO (IF YES, COMPLETE THE FOLLOWING)

VA # _____

APPROVAL DATE _____

QUALITY CONTROL

WHAT TYPE OF QUALITY CONTROL PROGRAM ARE YOU USING? PLEASE ALSO PROVIDE A COPY OF YOUR PROCEDURES.



ERRORS & OMISSIONS INSURANCE

DO YOU HAVE ERRORS & OMISSIONS INSURANCE? YES NO

(NOTE: IF YES, PLEASE PROVIDE A COPY OF THE POLICY AND ALL ENDORSEMENTS)

PROFESSIONAL ORGANIZATIONS

PLEASE LIST THE ORGANIZATIONS IN WHICH YOU ARE AFFILIATED WITH AND ARE IN GOOD STANDING.

DISCIPLINARY ACTION

HAVE YOU EVER BEEN REMOVED FROM A LENDER'S OR INVESTOR'S APPROVAL BROKER LIST?

YES NO IF YES, PLEASE EXPLAIN _____

HAVE YOU EVER BEEN A DEFENDANT IN A LAWSUIT INITIATED BY A LENDER, INVESTOR OR ANY PARTY INVOLVED IN A LOAN TRANSACTION?

YES NO IF YES, PLEASE EXPLAIN _____

HAVE YOU EVER BEEN DISCIPLINED BY LOCAL, STATE OR FEDERAL REGULATORY AGENCY?

YES NO IF YES, PLEASE EXPLAIN _____

SUBSCRIPTION

OUR RATE SHEETS WILL BE DISTRIBUTED VIA EMAIL, PLEASE PROVIDE THE FOLLOWING



iApprove Lending

NAME _____

EMAIL ADDRESS _____

CREDIT AUTHORIZATION

The undersigned applicant(s) hereby authorize(s) iApprove Lending to secure a consumer credit report and authorize(s) the release to iApprove Lending of any and all information about the applicant(s) deemed necessary by iApprove Lending. The applicant(s) also agree(s) that iApprove Lending from time to time, may request and secure credit reports or other information.

CERTIFICATIONS

I/we hereby certify that: _____ is in good standing with the agency which governs my state regarding real estate loans, or any local, state and federal agencies that may apply. I/we further certify that said company is not a defendant in any litigation alleging fraud, misrepresentation, or dishonest acts.

 For the purpose of inducing iApprove lending, to provide financing for clients of the undersigned, I/we certify that all information in the Mortgage Correspondent Application is true and correct.

ACKNOWLEDGEMENTS

Broker of record:

By: _____

Principal/Officer:

By: _____



3130 S. HARBOR BLVD #520

SANTA ANA, CA 92704

PHONE: (714) 775 – 5353 / Efax: (877) 835 – 4283

AUTHORIZATION TO RELEASE INFORMATION

I/We hereby authorize you to release to iApprove Lending any and all information that they may require for the purpose of Correspondent/Broker approval.



Signature _____ Date _____

Social Security No _____

Signature _____ Date _____

Social Security No _____

Broker Agreement

iApprove Lending, a California Corporation ("iAL"), and _____
_____ ("Broker") entered into this Broker Agreement (the
"Agreement") on _____.

Recitals

A. Broker engages in the business of soliciting mortgage loan application packages (known as "Loan Package" and more fully defined in Section 2, below) from the general public for submission to mortgage banking companies for funding consideration. Among other things, Broker negotiates the terms and conditions of loans secured by trust deeds, mortgages or other valid security instruments ("Loans") on behalf of applicants.

B. iAL engages in the business of making Loans and in lieu of iAL's use of and payment for its own retail branch offices, it may consider Loan Packages submitted by mortgage brokers for funding based on the Information they contain. For purposes of this agreement, "Information" shall mean any information that iAL reasonably requires to consider funding a loan and any other information submitted as a part of a Loan Package, whether or not Broker is the source. This includes information obtained from the borrower or any reference source, including but not limited to: Title or Escrow Companies, Appraisers, Employers, and Depositories.

C. Broker and iAL wish to establish a nonexclusive relationship under the terms of this Agreement in which Broker will submit Loan Packages to iAL for funding consideration. iAL intends to sell all Loans it funds in the secondary market. Therefore, iAL requires representations and warranties from the Broker that will allow iAL to sell such Loans with a good faith belief that based on the Information supplied by Broker, such Loans are an acceptable investments to the purchasers of iAL's Loans ("Investors"). THEREFORE, in consideration of the promises and mutual covenants contained in this Agreement, iAL and the Broker agree as follows:

Agreement

1. Incorporation of Recitals. The recitals set forth above are an integral part of this Agreement and incorporated herein by reference.

2. Loan Submission. "Loan Packages" submitted by Broker for funding consideration shall include, without limitation, information regarding an applicant's credit, collateral, income, employment, liquid assets, and other Information that iAL requires for funding consideration. Broker shall perform such other functions required under the program guidelines, iAL's underwriting and secondary marketing requirements, and iAL's other requirements for funding consideration, each as amended from time to time. Broker shall use its facilities and personnel in lieu of iAL providing its own facilities and personnel and shall provide or perform the services set forth in this Agreement at Broker's expense and in exchange for iAL considering a loan for funding and payment of Fees (defined below).

Initial _____ Date _____

Broker will provide iAL with documentation and information necessary to consider each Loan for funding and to sell each Loan, both before and after funding, as reasonably required by iAL. iAL's obligation to fund Loans under this Agreement is conditional and nothing in this Agreement shall require iAL to fund a Loan. Only satisfaction of each of the program guidelines, iAL's underwriting and secondary marketing requirements and iAL's other requirements for funding consideration, each as amended from time to time and determined in iAL's sole discretion will obligate iAL to fund any Loan. Unless notified by iAL in writing, Broker will not represent to any person that iAL will, or has approved a Loan, or has agreed to fund a Loan.

iAL may conduct quality control reviews of the Information provided by Broker. Evidence of material misrepresentations or willful omissions, by the Broker, found during the courses of such reviews or by any other means is cause for denial of a Loan application, immediate termination of this Agreement, and, if appropriate, notification to applicable federal, state, or local administrative or law enforcement agencies. The consequences of Fraud will be no less than:

- * Criminal Prosecution
- * Civil action against all parties to the transaction
- * Termination of this agreement
- * Loss of License
- * Adverse effect on credit history of all principals
- * Forced repurchase of loan

3. **Cancellation.** If prior to funding iAL discovers any misrepresentation or other incurable defect in a Loan package that would make such a loan unacceptable for purchase by iAL's investors, iAL will cancel that Loan. If Broker was aware of, or should have been aware of such misrepresentations or other incurable defects that were the cause of cancellation, Broker shall pay to iAL all out-of-pocket cost actually incurred as a result of the cancellation.

4. **Broker Fees.** iAL agrees to pay Broker compensation for Loan Packages submitted by Broker and funded by iAL according to iAL's programs and pricing options as amended from time to time ("Fees"). iAL and Broker agree that the Fees are intended to reflect the reasonable value of the services provided by Broker in the market in which Broker performs those services. iAL and Broker agree to modify the amount of the Fees should an applicable law, regulation or court of competent jurisdiction determine that their estimate of the reasonable value or the methods used to estimate the reasonable value of the services provided exceeds the reasonable value of Broker's services. Broker shall not accept Fees or other compensation for a Loan transaction from any source except iAL or the borrower. For each Loan Package submitted to iAL, Broker will disclose to each borrower the source of its compensation, whether paid by the borrower, iAL or both. iAL will pay Fees for Loan transactions after each Loan closes and is funded by iAL and all Loan conditions are satisfied, whether or not the Loan has already closed or funded. iAL reserves the right to set off any obligations Broker has to iAL against any Fees owed to the Broker. If iAL is unable to sell a loan to an investor as a result of a breach of Brokers representations, warranties, or covenants made in this Agreement, Broker agrees to refund Fees paid to Broker by iAL.

5. **Representations and Warranties.** Broker represents and warrants that all Information submitted to iAL in connection with Loan Packages submitted and the contents of Broker's Application for Approval with iAL is true, correct, currently valid, genuine, and free of misrepresentation. In addition, none of the information submitted is misleading, and no Information material to considering a Loan for funding has

Initial _____ Date _____

been omitted. Without narrowing the scope of the foregoing, Broker represents and warrants that Broker has no Information regarding a Loan, mortgagor, mortgagor's credit, or collateral property of a Loan that may cause Investors to refuse to purchase a Loan or that may cause a Loan to become delinquent; and Broker has followed generally accepted mortgage industry procedures and practices which would uncover or disclose such Information. Broker acknowledges that Information submitted to iAL may be subject to iAL's independent verification, underwriting approval, or quality control review but this shall effect Broker's duties, responsibilities, representations, and warranties under this Agreement.

Broker further represents and warrants that:

Broker has complied and will comply with all applicable federal, state, and local laws, rules, regulations, and agency opinions or policy statements affecting Broker's activities and Loan packages submitted to iAL, including, without limitation, the Truth-in-Lending Act, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, the Fair Housing act, the Financial Right to Privacy Act, the privacy provisions of the Graham-Leach-Bliley Act, the USA PATRIOT Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act, and all federal, State and local laws governing advertising and solicitations.

Broker has complied with requirements of each applicable agency regulating Broker and Broker possesses all necessary licenses, registrations, exemptions, or other authority of such agencies to engage in the activities contemplated by this Agreement.

There is no material action, allegation, suit, arbitration, investigation, proceeding, or hearing, whether legal, governmental, administrative, or otherwise, including those by other lenders for fraud or misrepresentation, pending or threatened against Broker, its current owners, former owners, principals, agents or employees except as disclosed to iAL on the Broker Application.

Broker will immediately provide iAL with written notice of: (a) breach of Broker's representations and warranties; (b) suit, litigation, or proceeding concerning Broker directly or indirectly, which may affect Broker's operations, financial condition, business, property, assets or ability to perform under this Agreement, or if the underlying claim contains allegation of fraud or misrepresentation: (c) changes in ownership of Broker, name of Broker, Broker's address and phone and fax numbers, Broker's tax identification numbers, or Broker of Record; (d) changes in Broker's financial or other condition, operations, business, property, assets, which may materially affect Broker or Broker's ability to perform under this Agreement; and (e) notice of any investigation, revocation, suspension, or other adverse action or potential action by an agency or authority concerning Broker's license, permits, or ability to conduct business. Broker also will provide iAL with a copy of its license, registration, exemption or other evidence of authority to engage in the activities contemplated by this Agreement at the time of this Agreement and upon each renewal.

Broker has no direct or indirect interest in an iAL Loan including, without limitation, an ownership interest in any Loan secured by property related in any way with an iAL Loan, in any property pledged as security for an iAL Loan, or an affiliation or relationship with any person or entity having a financial interest in an iAL, an iAL Loan Package, or an iAL Loan transaction.

Initial _____ Date _____

In connection with a Loan, Broker will only utilize providers of “settlement services,” as defined in Regulation X (24 C.F.R. 3500) (known as “Settlement Service Providers”), that comply in all respects with each applicable federal, state, and local law and iAL’s requirements. Broker will never act as the settlement agent for purpose of conducting a loan closing for an iAL Loan. If Broker, its principals, or officers are affiliated with or have direct or indirect beneficial ownership in any Settlement Service Providers (are “Affiliated”), then: (a) there are no common employees between Broker and the Affiliated Settlement Service Provider; (b) none of Broker’s loan officers, loan processors, or employees will act as a notary in a Loan transaction utilizing Affiliated Settlement Service Providers; (c) Broker will provide Loan applicants with an Affiliated Business Arrangement disclosure when required by the Real Estate Settlement procedure Act and any other additional disclosure required under federal, state, or local law related to the use of Affiliated Settlement Service Providers; and (d) Broker has informed iAL that it is Affiliated with the Settlement Service Provider and the Settlement Service Provider has entered into a written Settlement Service Provider Agreement with iAL.

Broker has not and will not engage in any Unfair or Deceptive Lending practices. For purposes of this Agreement, the term Unfair or Deceptive Lending shall mean one or more of the following practices: Equity Stripping – making loans strictly on the basis of the borrower’s equity without regard to proper underwriting of the borrower’s payment ability and which jeopardizes the borrower’s equity. Loan Flipping – frequent refinancing of loans with fees which can strip the equity from a borrower and which simply generate fee income for lender or broker with no benefit to a borrower. Steering and Predatory Pricing – putting borrowers into a lower investment grade loan that that for which they might qualify or pricing terms that far exceed the true risk and cost of making the loan. Packing – including in the loan financing unearned or otherwise unwarranted fees for services. Unfair Loan Term – making it difficult for borrowers to reduce their indebtedness by adding restrictive loan terms and structures. Vulnerable Customer Marketing- targeting customers who are less financially sophisticated or otherwise vulnerable to abusive practices. Unfair or Deceptive Lending shall also mean failing to comply with the spirit or letter of any federal , state, or local law governing lending and equal rights. Broker will not request a prepayment fee in any loan unless the borrower is given the choice of a loan without a prepayment fee having a higher interest rate of higher fees. Broker has worked towards putting the borrower in the highest investment grade mortgage product for which the borrower qualifies, even if the borrower originally applied for a lower investment grade (higher cost) product or program. Proposed Loans will result in reasonably improved financial position for the borrower or there are other factors indicating that a Loan is beneficial to the borrower. Each borrower was provided with literature discussing the issues they should consider when purchasing or refinancing a home. Broker has not encouraged a refinancing borrower to default on his/her prior loan. None of Broker’s marketing and promotional materials are deceptive or targeted to vulnerable customers

6. Survival of Representations, Warranties and Obligations. Each representation and warranty in this Agreement is made as of the date of this Agreement, at the time each Loan package is submitted to iAL, and the iAL funds the Loan and the transaction closes. All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement or required by iAL with Broker’s application for approval shall survive for the full remaining term of the Loan, irrespective of the sale of a Loan by iAL or termination of this Agreement.

7. Early Payoff. Broker will refund fees paid by iAL on any Loan transaction if the Loan payoff occurs within two hundred forty **(240)** days of the date of funding.

Initial _____ Date _____

8. Indemnification. Broker shall indemnify, defend and hold harmless iAL and its officers, employees, directors, agents, shareholders, successors, and assigns, from and against all liability or loss, damage, cost, expenses, and attorney's fees arising out of or in connection with a breach of Broker's representations or warranties, or by failure of Broker to perform a covenant or condition under this Agreement (collectively, a "Loss"). Broker's obligation to fully indemnify the indemnities shall not be affected by any of the following actions by iAL or its Investors (should the action be taken by an Investor, the action may be taken with or without notice to Broker, if the action is taken directly by iAL the Broker shall receive a 10 day notice): (a) liquidation, repayment, retirement, or sale or resale of any Loan; (b) foreclosure of any Loan; (c) sale or resale of any real or personal property securing any Loan; (d) agreements by iAL to indemnify Investors in lieu of repurchasing al Loan; or (e) any action iAL deems reasonable when responding to Investor or other third party claims against iAL. Broker's indemnification of iAL is for both liability and loss for which iAL can make a demand when it becomes liable or, at its discretion, when it has incurred a Loss. iAL shall have the right to assume the legal defense of any action and Broker shall pay iAL's legal cost and expenses, including appellate proceedings. Broker acknowledges that a breach of this Agreement may not be adequately compensable in damages in damages alone. Broker therefore agrees that iAL shall be, without limitation, entitled to seek equitable relief by the way of specific performance or otherwise to enforce Broker's obligations. Instead of indemnification as provided in this Agreement, Broker may, at iAL's sole discretion, repurchase any Loan at the price set forth below.

9. Repurchase. In addition to the rights and remedies of iAL elsewhere in this agreement, if (a) Broker intentionally breaches any representation, warranty or covenant contained in this Agreement in regards to any Loan closed and funded by iAL; or (b) a Loan submitted to iAL contains any intentional or Negligent misrepresentation made by Broker. Broker agrees, upon iAL's written demand to repurchase a Loan from iAL, within ten (10) days of notice, and for the repurchase amount set forth below. In lieu of repurchase, and with iAL's approval, Broker may refinance the Loan and pay Losses incurred by iAL. The repurchase price shall be (a) the original principal Loan amount less any principal reductions received by iAL; (b) plus all accrued and unpaid interest on the Loan from the Date of iAL's funding through the date of repurchase; (c) plus all reasonable costs incurred by iAL in connection with origination, processing, underwriting, and funding the Loan, including return of any rebates or fees paid by iAL to Broker; (d) plus any cost incurred in connection with foreclosure, liquidation, maintenance, or repair of the property; (e) plus any cost incurred by iAL in upholding and enforcing Broker's obligation to repurchase the Loan, including reasonable attorney's fees and cost of suit.

10. Agency and Assignment. iAL and Broker agree that Broker is neither an agent nor an employee of iAL, and nothing in this Agreement creates a joint venture between Broker and iAL. For all purposes Broker is the agent of the applicants it represents and an independent contractor of iAL. Broker is expressly prohibited from holding itself out as an agent, representative, or employee of iAL. Broker may not assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of iAL. Despite iAL's consent, no assignment shall release Broker of any of its obligations or alter any of its primary obligations to be performed under this Agreement.

11. Termination. Either party may cancel this Agreement at any time, at will, with or without cause, upon written notice to the other party. Upon termination, iAL will return to Broker any Loan packages which iAL is not obligated to fund. Broker will reimburse iAL for all out-of-pocket expenses incurred on any Loan returned after termination by Broker.

Initial _____ Date _____

12. Notice. All notices, requests, and demands under this Agreement shall be in writing to the respective addresses recorded below in the execution section of this Agreement or to Broker's address last known to iAL. If delivered by first-class mail, notice will be effective (3) days after deposit in a United States Postal Service office or mailbox. If delivered by overnight delivery with a delivery receipt, notice will be effective one (1) day after deposit with the overnight carrier.

13. Entire Agreement, Modification, and Severability of Agreement. This Agreement is the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to brokering Loans and supersedes all prior and contemporaneous understandings or agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement. This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is writing and signed by the party to be charged. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason the validity and enforceability of the remaining provision or portions will not be affected.

14. Forum, Binding Agreement, Choice of Law and Attorney Fees. Any dispute that arises under or relates to this Agreement, whether in contract, tort, both, or otherwise, shall be resolved in a court of competent jurisdiction located in the county of Orange in the state of California. This Agreement shall be binding upon the parties and their successors and assigns. California Law shall govern this Agreement and any dispute arising from the relationship between the parties to this Agreement. In any action brought to enforce any provision of this Agreement, the losing party shall pay the prevailing party's reasonable attorney fees and cost, including fees and cost incurred by iAL in enforcing the indemnification provisions of this Agreement.

15. Waiver of Jury. EACH PARTY TO THIS AGREEMENT WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF RELATING TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

16. Advertisements. Broker grants iAL express permission to send Broker advertisement of iAL products and services by, telephone facsimile transmission, or electronic mail transmission to each telephone number, facsimile telephone number and electronic mail address owned by Broker. This permission survives the termination of this Agreement and can only be revoked by a separate written notice.

17. Counterparts and Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which is an original, and taken together shall constitute one instrument. For all purposes, a copy this Agreement signed and transmitted via facsimile by either party shall have the same effect as an original. A party executing this Agreement by facsimile shall provide the other party with a signature page of the Agreement signed with a handwritten signature within fifteen (15) days of the date of the Agreement.

Initial _____ Date _____

IN WITNESS OF THE FOREGOING, the parties to this Agreement have executed this Agreement as of the date and first written above.

iAPPROVE LENDING

By: _____
555 Anton Boulevard, Suite 150, Costa Mesa, California 92626

Broker Company Broker Company Name _____

Broker Address _____

 _____
Signature of Principal Name & Title

Signature of Broker of Record

Name & Title

Corporations and Limited Liability Companies must include a resolution of the Board of Directors or Members signed by the chief executive officer and authorizing the person above to sign on behalf of the corporation or limited liability company.

Initial _____ Date _____



CORPORATE RESOLUTION

RESOLVED, that the President alone or any Senior Vice President with the secretary or any Assistant Secretary of

_____ Is hereby authorized and empowered to enter into a Correspondent Brokerage and or Agency Contract(s) for the corporation/company upon such terms and conditions as said officers may deem to be in the best interest of this corporation/company.

The following named shall be empowered:

Typed name/signature Title

A large, light blue watermark of the iApprove Lending logo and text is overlaid on the signature lines.

I, _____, the duly authorized agent of

Do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the Senior Officer(s) of said corporation/company at a meeting duly convened and held _____, 20____, that said resolution has not been altered, modified, amended, revoked or repealed; and that the same remains in full force and effect.

NAME

TITLE



ADDENDUM TO WHOLESALE BROKER AGREEMENT

This Addendum to Wholesale Broker Agreement (“Addendum”) is made part of and is incorporated by reference into that certain Wholesale Broker Agreement (“Agreement”) made and entered into as of the _____ day of _____, 20____ between iApprove Lending, a California Corporation (“iAL”) and _____ (“Broker”).

It is hereby agreed that Section 4 of the Agreement is hereby amended as follows:

Broker shall, both in the conduct of its business generally, and, in particular, its handling of each application, comply fully, completely, and in a timely manner with every requirement of all applicable Federal and State Laws dealing with the origination of Mortgage Loans, including and without limitation upon the generality of the foregoing, the Consumer Credit Protection Act (“CCPA”); the Equal Credit Opportunity Act and Regulation B promulgated thereunder (“ECOA”); the Truth In Lending Act and Regulation Z promulgated thereunder, including without limitation, those portions of Regulation Z and the Official Staff Commentary that pertain to Loan Originator Compensation, effective April 1, 2011 (“TILA”); the Real Estate Settlement Procedures Act and Regulation X promulgated thereunder (“RESPA”); and all applicable state or federal statutes or regulations covering fraud, consumer credit transactions, predatory and abusive lending, and mortgage banks and brokers in general.

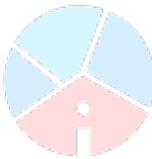
Section 4.1:

The following section 4.1 shall be added to the agreement:

4.1: Indicated below set forth the terms of Compensation which Broker has or will enter into with any individual Loan Originator, during the term of this Agreement, with respect to any Lender-Paid Consumer Credit Transaction secured by a dwelling:

- **Commissions:** Broker may elect to pay Loan Originator(s) a pre-determined fixed commission, which does not vary by loan, loan type or loan product and which is calculated by multiplying a fixed percentage against the principal loan amount funded. Commissions may be subject to a minimum or maximum dollar amount, or both, at Broker’s discretion.
- **Fixed Dollar Amount:** Broker may elect to pay Loan Originator(s) a predetermined fixed dollar amount, which does not vary by loan, loan type or loan product and which is paid in connection with each closed and funded loan, without regard to the principal loan amount funded.

- **Hourly Wage:** Broker may elect to pay Loan Originator(s) a pre-determined hourly wage for each hour worked, which does not vary by loan, loan type or loan product and which is paid in connection with each closed and funded loan, without regard to the principal loan amount funded.
- **Fixed Salary:** Broker may elect to pay Loan Originator(s) a pre-determined set salary for each pay period, which does not vary by loan, loan type or loan product and which is paid without regard to whether or not any loans fund and close, without regard to the principal balance of loans which are closed and funded.
- **Bonuses/Other Compensation:** Broker may elect to pay Loan Originator(s) bonuses and/or other compensation which is a function of one or more of the following:
 1. The Loan Originator(s) overall volume (i.e., total dollar amount of credit extended and/or total number of loans originated).
 2. The long term performance of the Loan Originator(s) loan production.
 3. Whether, and to the extent, the Loan Originator(s) loan production includes existing customers or new customers.
 4. The percentage of applications submitted by the Loan Originator(s) that result in consummated transactions.
 5. The quality of the Loan Originator(s) loan files (i.e., accuracy and completeness of the documentation).



iApprove Lending

During the term of this Agreement, when compensation is paid to Broker by Lender in connection with any Mortgage Loan, such compensation shall constitute Broker's sole compensation with respect to such Mortgage Loan and Broker shall not and will not accept any other or additional compensation of any form or kind from the borrower or any third party with respect to the Mortgage Loan.

This addendum is hereby effective this _____ day of _____, 20_____.

BY: _____
 Authorized Signor

 Name

 Company Name and/or DBA



LOAN FRAUD ZERO TOLERANCE POLICY

All approved wholesale Loan Broker must be aware that the licensed real estate broker bears the responsibility for all actions of his/her employees or licenses. The broker is responsible for the content and quality of each application taken each loan submitted to the wholesale lender.

All brokers, staff, and loan officers must be aware that the submission of a loan application containing false information is a crime!

TYPES OF FRAUDULENT LOANS

1. Submission of inaccurate information, including false statements on loan application(s) and falsification of documents purposing to substantiate credit, employment, deposit and asset information, personal information including identity, ownership or real property, etc.
2. Forgery of partially of predominately accurate information.
3. Incorrect statement regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
4. Lack of due diligence by loan officer/interviewer/processor or any U/W, O.C. Personal, including failure to obtain all information required by the application and failure to request further information as dictated by borrower's responses to other questions.
5. Unquestioned acceptance of information of documentation that is known, should be known, or should be subject to be inaccurate.
 - A. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant on multiple properties, or from one applicant supplying different information in each application.
 - B. Allowing an applicant or interested third party to "assist" with the processing of a loan.
6. The loan officer's nondisclosure of relevant information.

CONSEQUENCES

The effects of "Loan Fraud" are costly to all parties involved. **iAPPROVE LENDING** stands behind the quality of its loan production. Fraudulent loan cannot be sold into the secondary market and, if sold, will require repurchased by **iAPPROVE LENDING**. Fraudulent loans damage our reputation with our investors. The prices paid by those who participate in "Loan Fraud" are even more costly. The following is a list of a few potential consequences that may be incurred.

CONSEQUENCES TO BROKER

1. Criminal Prosecution.
2. Loss of Federal, State, and local licenses.
3. Loss of lender access due to exchange of information between lender, mortgage insurance companies including submission of information to investors (FNMA/FHLMC), police agencies, and the Department of Real Estate.
4. Civil action by applicant/borrower or other parties to the transaction.
5. Loss of approval status with wholesale lender.

CONSEQUENCES TO BORROWER

1. Acceleration of debt. FNMA/FHLM Deed of Trust states:

"Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statement to lender (or failed to provided lender with any material information) in connection with the loan evidence by the Note, including, but not limited to, representation concerning Borrower's occupancy of the property as a principal residences. "

NOTE:

Foreclosure under this section of the Deed of Trust does not require the borrower to be in payment default, the borrower must pay off the loan in full prior to the sale of the property.

2. Criminal Prosecution.
3. Civil action by **iAPPROVE LENDING**
4. Civil action by other parties to the transaction, such as the seller or real estate agent/broker.
5. Employment termination.
6. Loss of professional license, if any.
7. Adverse effect on credit history.

I/WE HAVE READ THE FOREGOING AND UNDERSTAND iAPPROVE LENDING POSITION ON "LOAN FRAUD".

BY: _____

DATE: _____

PRINT NAME: _____

QUALITY CONTROL PLAN

ORIGINATION STANDARDS AND PROCEDURES

Quality Control in loan origination begins with Priority controlling the gathering of credit information about a potential borrower. We must make sure that the information assembled to support a loan application and as a basis the underwriter's loan approval is reliable as possible. We establish procedures and standards for our employees that, if followed, will avoid errors, omissions and fraud. It is the company's intent to maintain compliance with all HUD/FHA requirements and prompt, effective corrective measures will immediately be taken by senior management and documented when deficiencies are identified. Furthermore it is the company's policy to report any violation of law or regulation, false statement or program abuse to the HUD regional office, area office or OIG

Priority will monitor and supervise any overage activities to prevent illegal discrimination or violation of tiered pricing violations.

LOAN CORRESPONDENTS QC REVIEW

Priority will periodically conduct an onsite quality control review of all of our loan correspondents, in order to ensure that the correspondents are in compliance with the department's loan origination requirements and prudent lending practices.

SPECIAL ORIGINATIONS

Some areas of mortgage origination call for special attention in the Quality Control Plan. Refinancing of existing loans present a unique situation because of the streamlined processing requirements. The other areas are of concern because they raise possibilities of fraud on the part of the borrower, an employee lender, a third party such as a real estate broker or any combination of the above parties. Violations of government or investor requirements can lead to heavy fines, loss of approved status and even criminal prosecution. Because of the high price of fraud, management will treat any violations of the company policy against fraud with great seriousness and consider it cause for immediate dismissal.

Some special areas of concern are: Kickbacks, signing credit documents in blank, hand carrying verifications, intentional discrepancies in credit information, straw buyer transactions, and occupancy issues.

LOAN APPLICATION AND INTERVIEW

Quality Control in loan origination begins with the first contact between the applicant and the loan officer of the company. Information is hereby obtained to evaluate the applicant's creditworthiness. The initial interview gives the company the opportunity to see the proper tone. The interviewer should impress upon the applicant the need for complete and accurate information. The following items will provide instructions regarding the various disclosures that must be given to a potential borrower and how the company proceeds to request credit information from sources other than the borrower.

BORROWER INTERVIEW

1. Prior to the interview ask each applicant to bring the necessary documents and other information to the facility to facilitate the processing of the application.
2. Be sure no employee offers encouragement or discouragement because of an applicant's race, religion, national origin, sex, disability, family status, marital status or age.
3. The URLA form 1003 is completed by each applicant and retained by the lender as part of the original loan file.

4. Application for HUD loans must be taken face-to-face with the applicant.
5. If a telephone interview is permitted for the loan and is used as part of the application process, our employees are urged to use the certification of the telephone interview form.
6. Obtain the borrower's signature on the request to the IRS for copies of the borrowers' tax returns at the time of the initial interview if the borrower is self-employed or supplying tax returns for the application for any reason.
7. Obtain bank statements and addresses for all depositories from which funds will be used to close.
8. Obtain names and addresses for all employers for each of the borrowers for the past two-year period. Obtain recent paycheck stubs for each of the borrowers. Obtain copies of picture ID and the social security card for each borrower.
9. Advise the borrowers that they will be required to occupy the property within 30 days of closing and obtain and statement of their intent to do so.
10. Obtain a signature on authorization for verifications and do not allow the borrowers to sign any form in blank.
11. If you detect any relationship between the buyer and seller, you must fully investigate the relationship.
12. Obtain the information required for government monitoring on the initial appearance if not provided by the borrower.

APPLICATION DISCLOSURES

1. A good faith estimate of loan charges and HUD booklet "Settlement Costs and You" must be delivered or mailed to the applicant within three days of receiving the loan application.
2. If the loan is subject to RESPA, you must deliver or mail the Truth in Lending disclosures within three days of receiving the loan application.
3. Obtain a statement from the borrower as to their understanding of their right to receive a copy of the appraisal.
4. If the loan applied for this is adjustable rate loan, the applicant must be give the "Consumer Handbook on Adjustable Rate Mortgages" at the time and ARM disclosures at the time the loan application is presented to the applicant or before the borrower pays any non-refundable fees.
5. Inform the applicant that other ARM programs exist and the disclosure for those programs will be provided upon request.
6. Give to the borrower at the time of application a servicing transfer disclosure and obtain a signed acknowledgment of the form.
7. Give the borrower a copy of the HUD energy efficiency mortgage program. Have the borrower sign and date a receipt for the form.
8. If a rate lock is requested by the borrower, make sure the complete agreement is in writing and signed by the applicant and the loan officer.

COLLECTING INFORMATION

1. Complete the appraisal request and it to the appraiser.
2. If the flood zone determination will be made by someone other than the appraiser, request that information.
3. Make requests for each required report.
4. Send all necessary VOD and VOE forms to each of the depositories and employers.
5. Send a request for a verification of mortgage for any mortgage debts listed in the payment history. These must be sent to the mortgage lender directly. Obtain a rental history for the previous 12 months if applicable.

6. If the loan application is for a government loan, obtain the certificates of eligibility or the certificates of veteran status form the borrower or the VA.
7. If the loan application is for VA or FHA loan, obtain a Credit Alert Interactive Voice Response System (CAIVRS) for credit history on borrower with federal government.
8. For an FHA loan, check the names of parties on the loan against the list of limited denial of participation for exclusion to government programs.
9. Make any and all other necessary requests for information including termite inspection.
10. Disclose the presence of the possibility of lead-based paint as soon as possible to the applicant.

LIABILITIES AND CREDIT REPORT

1. Order a residential mortgage credit report from a consumer-reporting agency for each applicant.
2. Submit all documents received to the company underwriting department for consideration in evaluation the applicant's creditworthiness, to the insuring agency and to the investor.
3. Be sure the credit report includes all available public records and legal information from at least two sources and the required information for each debt that is shown.
4. Be sure the credit report verifies the borrower's employment or where employment cannot be verified, provide an explanation.
5. Be sure the information has been verified from sources other than the applicant.
6. The credit report must identify the ordering source and who was billed for the report.
7. The credit report must list all companies who made inquiries to the borrower's credit history.
8. If there are items that are incomplete or not verified, the lender must contact the credit reporting agency to obtain information as to the status of each unrated or incomplete account.
9. Obtain an explanation from the borrower from each derogatory item noted on the credit report.
10. If the applicant lacks established credit accounts, clearly document other situations in which the applicant made regular payments over the past two years.
11. If other lenders made inquiries during the past ninety days, find out whether the applicant received other financing.
12. The information obtained in the credit report is confidential and may not be disclosed to any other party other than authorized employees of our company, the insuring agency and investor with another agency or another mortgage in the course of a commitment of a mortgage. You may discuss items on the report with the applicant. However, you may not give them a copy.
13. If more than one credit report is ordered, then all the credit reports will be submitted with the package to HUD.
14. Ensure that all outstanding judgments on the credit report are reported on the HUD 92900 with an explanation.

BORROWER'S INVESTMENT AND ASSETS TO CLOSE

The borrower's stake in the property has a major impact on the quality of the mortgage. This is particularly true when the borrower makes a small cash investment, due to mortgage insurance or guaranty of the loan. The borrower should have enough liquid assets to cover the amount of the down payment that must come from his own funds or from an authorized gift situation. Good quality control requires verification that an applicant has sufficient assets available to close the loan transaction. Borrowers who cannot make that investment or who have no equity present a high degree of risk to the investor and insurer. The lender must verify the source of all funds to close.

The investment should come from the borrower's own funds rather than from some other source such as from the seller as an inducement to buy property. The lender must treat seller buy downs as lowering of the sale price. The borrower's investment in the property.

1. The verification of deposit or three month's full bank statements may be used to verify each bank account that will be used as funds to close.
2. Any new deposits must be verified as to source and seasoning requirements must be met.

GIFTS OR GRANTS

1. If any of the funds to close are to be obtained from a gift, obtain and place in the file a gift letter from the donor. The relationship of the donor must be stated on the form. The gift letter must state that no repayment is required and must be signed, dated and show the name and address of the donor party.
2. Obtain verification of the donor's ability to give the gift funds.
3. Obtain verification of the actual transfer of the gift funds to the borrower through an actual deposit of the funds into the borrower's account or a deposit to escrow.

OTHER SOURCES OF FUNDS

1. The source of funds may be secured loan against another asset owned. Be sure the payment on the new loan is included in the qualifying ratios.
2. If funds are received from the sale of an asset, obtain evidence of the conveyance and transfer of funds.
3. In some cases a net trade of equity will be allowed as funds to close.
4. If the source of funds to close is a portion of the previous rental payment, obtain a copy of the rental/purchase agreement and evidence of payment of the rental amount. The amount credited to the rental portion must meet market rent for the area.
5. If the source of funds to close is the sale of the borrower's previous residence, a final copy of the closing statement must be obtained.
6. If funds to close are coming from an IRA account or the sale of stock, the verification of the liquidation of funds must be verified.

BORROWERS INCOME

Since the borrower's income is the source of the repayment of the loan, the standards and procedures governing the processing of documents verifying this income is an important part of quality control. There are many issues that can arise in this phase of loan processing, but the important overall considerations are whether the borrower can demonstrate an ability to repay the debt based on the history and stability of his income. The lender cannot consider unverified income when analyzing a loan.

1. All income from salary or commission must be verified for each individual applicant.
2. The income stated on the VOD must be supported by the year-to-date amounts shown on the VOE or the paycheck stubs.
3. All discrepancies in this information must be resolved and documented.
4. Verify all earnings including overtime and part-time earnings with the VOE in order to include them on the application for federal mortgage insurance or to consider them in support of the loan application. If overtime is to be considered, there must be history of it being received and a likelihood that it will continue.
5. If alternative documentation is used for employment verification, obtain the most recent pay check stubs for one full month, two years previous W-2's and perform a verbal VOE to obtain the information that would be included on the VOE form.

SELF-EMPLOYED APPLICANTS

1. When the applicant is self-employed, obtain financial statements covering the previous two-year period that includes a balance sheet and a statement of income and expense. In addition, tax returns for the most recent two years must be obtained with all schedules for all self-employed borrowers.
2. If the business is a corporation or partnership, also obtain business tax returns for the most recent two years with all schedules.
3. A self-employed cash flow form should be completed to analyze the tax returns to determine if sufficient income can be determined to qualify for the loan.

OTHER INCOME

1. Other income such as: social security, pension benefits, disability benefits, alimony, child support, welfare and trust or annuity payments can be considered as income under circumstances where the durability of the income can be established. The regular payment and the ongoing aspect of the source must be considered before the income can be used to qualify.
2. Rental income can be used as income if appropriate verification of the rents received are obtained.
3. If the property are units, the rents of the additional units can be used to a percentage depending on the investor for the loan.

APPRAISAL

The purpose of the appraisal is to make an accurate determination of the property's fair market value to assure that there is adequate security for the loan. Different agencies and investors have different requirements for how the appraisal is to be prepared and who is held responsible for the accuracy; however, the lender is always the final source of responsibility for accuracy of the appraisal. To this end, both the loan processor and the underwriter must carefully review the appraisal report to make sure it is complete and consistent.

1. The appraiser must be licensed and the lender must obtain certification of that information.
2. Be sure the appraiser has no conflict of interest in the property to be appraised.
3. All appraisals must be on the uniform residential appraisal form, which may be computer generated.
4. The appraisal must be prepared for the originating lender.
5. Follow the instructions for the loan program you are working with as to ordering instructions for the appraisal.
6. Give the appraiser complete information for the transaction including any seller concessions and financing data.
7. Be sure the required photos of the property, all comparable and the street view are included along with all other required attachments.
8. Be sure the appraiser states the zoning and flood zone determination.
9. If the construction of the property is not complete, the appraiser must give an "after completion" value and make the appraisal subject-to completion, which must be verified before closing the loan.

FILE REVIEW

Careful review of the file after gathering all exhibits from the applicant and other sources is crucial to the quality control plan. All information necessary for underwriting should be assembled and reviewed at this point.

1. Using the document checklist, make sure that we have received all required documents and they are in the file.
2. Review the loan application, credit report, VOE, pay stubs, VOD, bank statements, financial statements, tax returns and gift letters for completeness and accuracy.
3. Check the age of documents and order new if they are too old.
4. Compare the borrower's social security number to all other documents in the file for discrepancies.
5. Complete the mortgage credit analysis form or the transmittal form.
6. When the file is complete, send it to the underwriter for review.

FINAL FACE-TO-FACE INTERVIEW

The final face-to-face interview with the loan applicant is to be performed in processing a HUD loan if no initial face-to-face interview was taken.

1. Review the application with the borrower to determine the accuracy of all information.
2. Discuss the requirement for the borrower to occupy the property within 30 days after the loan is granted. Also discuss the financial position of the borrower and the source of all funds to close.
3. Transmit the signed insurance application to the underwriter with the loan file.

UNDERWRITING

1. Complete the underwriting within the 30 days of receiving the loan application.
2. Review the appraisal to determine if the appraiser's conclusions are acceptable.
3. Review the mortgage loan documents to assure that they comply with agency and/or investor requirements. Be sure all discrepancies have been resolved.
4. Review the credit history of each applicant to determine if there is a satisfactory repayment history for other credit.
5. Be sure all documents are within the age requirement for the specific investor.
6. Review the borrower's income to determine whether the income can be used to qualify for the loan, and whether the income is stable.
7. Determine all debts that will be used in the qualifying ratios.
8. Calculate the ratios of housing expense to income and all debts to income.
9. Document and state any and all offsetting factors to high ratios.
10. Determine if mortgage insurance is necessary for all conventional loans.
11. If the loan does not meet agency or investor requirements, disapprove the loan and forward to management.
12. An ECOA notice must be sent to the borrower for each rejected loan.



BROKER COMPENSATION FORM

BROKER/COMPANY NAME: _____

ADDRESS: _____

EMAIL: _____

Loans closed and funded with iApprove Lending which are subject to Lender Paid

Compensation shall be paid at the following rate:

Percentage (%) of Loan Amount Funded: _____

Additional Fee: _____

It is hereby acknowledged and agreed that this agreement applies to all loans closed and funded with iApprove Lending under a Lender-Paid Compensation Plan, and that no additional fees will be paid to or accepted by Broker or Loan Originator from any other party, including but not limited to the Consumer.

This agreement may be updated on a quarterly basis, or at the discretion of iApprove Lending.

Acknowledged and Agreed:

BY: _____

NAME: _____

TITLE: _____

DATE: _____