

Date: _____ Name of Firm: _____

Doing Business As: _____ SSN/Tax I.D. #: _____

D.R.E. License #: _____ Broker of Record: _____ Expiration Date: _____

Contact Name: _____ Phone #: _____ Fax #: _____

E-mail: _____

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

Type of Organizational Structure:

- | | | |
|--|--------------------------|--------------|
| <input type="checkbox"/> Sole Proprietorship | Commencement Date: _____ | State: _____ |
| <input type="checkbox"/> Partnership | Date Formed: _____ | State: _____ |
| <input type="checkbox"/> Corporation | Date Incorporated: _____ | State: _____ |

Principals of the Organization:

Name: _____	Title: _____	Home Address: _____	SSN: _____
Name: _____	Title: _____	Home Address: _____	SSN: _____
Name: _____	Title: _____	Home Address: _____	SSN: _____

Bank References:

Bank Name: _____	Account #: _____
Bank Address: _____	City: _____ State: _____ Zip: _____
Bank Name: _____	Account #: _____
Bank Address: _____	City: _____ State: _____ Zip: _____
Bank Name: _____	Account #: _____
Bank Address: _____	City: _____ State: _____ Zip: _____

Lender References:

Lender Name: _____	Phone #: _____
Address: _____	City: _____ State: _____ Zip: _____
Lender Name: _____	Phone #: _____
Address: _____	City: _____ State: _____ Zip: _____

Loan Agent: _____

Branch: _____

Allied Lending Corporation

“The Solution Company”

23282 Mill Creek Drive, Suite 340

Laguna Hills, CA 92653

Tel (949) 455-9696 Fax (949) 455-9677

www.alliedlending.com

Dear Mortgage Originator,

Thank you for your interest in becoming an Approved Broker with Allied Lending Corporation. In order for us to process your request, please furnish the following information:

(*) Anything with an asterisk we must have.

- * 1. Allied Lending Corporation Mortgage Broker Application.
- * 2. Mortgage Broker Agreement – Fully completed in company name and executed by the Broker of Record and the Owner(s) or key Officer(s) of the corporation.
- * 3. IRS form W-9.
- * 4. Certification of Corporate Secretary, General Partner or Manager – fully completed and executed (applicable to all corporations and partnerships).
- 5. Fair Lending Notice.
- 6. Copy: Resumes of Principals.
- * 7. Copy: Updated D.R. E. Broker’s license.
- 8. Copy: Most recent financial statement: current year, year-to-date, profit & loss, and balance sheet for the prior year.
- 9. Copy: Corporations Provide: Articles of Incorporation or Certificate of Domestic Status
Partnerships Provide: Partnership Agreement

We are eager to receive your completed original loan files, and to give you the best possible service. Also, enclosed are Stacking Order Checklists, Submissions Forms and Trans-Boxes for your convenience.

Meanwhile, should you have any questions concerning the application or approval process, please don’t hesitate to call us directly at (949) 455-9696.

We look forward to a profitable and professional business relationship.

Sincerely,

The Management

BROKER AGREEMENT

THIS BROKER AGREEMENT (this "Agreement") is made as of the _____ day of _____, 20__ by and between _____ the ("Broker") and Allied Lending Corporation ("ALC").

RECITALS

The Broker desires to submit residential mortgage loan applications to ALC and ALC is willing, subject to the terms of this Agreement, to accept and fund, from time to time, residential mortgage loans originated by the Broker.

AGREEMENTS

Now, therefore, in consideration of the above recitals and the terms and conditions contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ALC and Broker agree as follows:

1. Origination

- 1.1 **Broker Origination:** Broker, in its discretion and at its sole expense, may submit To ALC on behalf of prospective borrowers, applications for residential first mortgage loans which conform to all the requirements of the then prevailing loan programs offered by ALC to the Broker at the time of receipt of an application. Each mortgage loan application must be in accordance with ACL's Program Guide on forms acceptable to ALC. Broker agrees that the acceptance or processing of any loan application shall not, in and of itself be construed as a commitment of obligation by ALC to fund the loan. The decision to approve any loan application shall be in the sole discretion of ALC in accordance with its then prevailing underwriting standards existing at the time of the receipt of a completed application.
- 1.2 **Authority:** Broker agrees it has no authority to obligate, commit or bind ALC to any agreement for any purpose or to any person, firm or corporation, without ACL's prior specific consent and Broker shall not make any representation, agreement to any loan applicant on behalf of ALC without ACL's prior written approval or misrepresent any of ACL's loan programs to any applicant.

2. Broker Fees:

- 2.1 **Fees on Funded Mortgage Loans:** All fees of the Broker in connection with the application for or the processing, making or closing of any mortgage loan may be Deducted from the proceeds of the loan and will be paid upon completion of all loan documentation in accordance with the loan closing instructions. The Broker agrees to charge only such fees for its services and such expenses as are permitted by applicable law.

2.2 **Fees on non-funded Mortgage Loans:** No fees of other compensation will be due and payable from ALC to Broker if the proposed mortgage loan is not accepted and funded by ALC.

3. Continuing Representations, Covenants and Warranties. In order to induce ALC to enter into this Agreement and to fund mortgage loans, Broker warrants, represents and covenants that, as of the date hereof, and at the time the Broker submits a mortgage loan application hereunder, and at the time of funding of each mortgage loan by ALC hereunder that:

3.1 **Broker's Organization:** Broker is duly organized and validly existing and in good standing under the laws of the place of its formation, and Broker is qualified and in good standing in the very jurisdiction where its business or operations requires such qualification.

3.2 **Authority and Capacity ; Consent; Enforceability of Agreement:** Broker has the full power, authority and capacity to enter into this Agreement and this Agreement has been duly authorized, executed and delivered by Broker and constitutes a valid and binding obligation of Broker, enforceable in accordance with its terms.

3.3 **Compliance with Laws:** Broker has all licenses and permits to conduct its mortgage brokerage business that are required by the applicable jurisdictions from which all mortgage loans originate and where the real property securing the mortgage loans is located.

3.4 **Borrower Capacity:** After reasonable inquiry, and to the best of Broker's knowledge and belief, all signatures, names addresses, amounts and other statements appearing on the credit application, mortgage notes, and all other documents relating to each mortgage loan are true and correct and do not omit any material information, and the obligors named thereon are of majority age, have legal capacity to enter in the mortgage loan, and are living.

3.5 **Warranties as to Each Mortgage Loan:** Each mortgage application and each mortgage loan represents a bona fide transaction that has been carried out in accordance with all applicable laws and regulations as may apply to the solicitation placement and closing of mortgage loans, including but not limited to, the making of all required disclosures correctly to all persons entitled to receive them within the time specified under such laws or rules and regulations, which shall include but not be limited to : (a) Real Estate Settlement Procedures Act of 1974, as amended - Regulation X; (b) Fair Credit Reporting Act; (c) Equal Credit Opportunity Act -Regulation B; (d) Truth-In-Lending Act- Regulation Z; and applicable regulations of the Federal Home Loan Bank Board and the Comptroller of the Currency; and for which the total consideration, to be advanced by ALC, shall in fact have been advanced as required.

- 4. Survival of Warranties, Representations and Covenants:** The warranties, representations and covenants herein and Broker's liability to ALC of any nature or kind, with respect to mortgage loans funded by ALC shall survive the execution, termination or cancellation of this Agreement or any subsequent agreement hereunder and the sale or assignment of any specific mortgage loan. It is understood that ALC may rely upon Broker's warranties, representations and covenants, irrespective of any inspection or knowledge of ALC, and Broker shall not be relieved of any liability to ALC as a result thereof unless ALC expresses waives, in writing, a breach of any warranty or representation with respect to a particular mortgage loan, nor shall such waiver be deemed a waiver of any such breach in the future. Further, Broker shall not be relieved of any liability to ALC as a result of, nor may Broker assert a claim or defense based on ACL's advice concerning approval of the format of legal documentation used in connection with the mortgage loans.
- 5. Independent Contractors:** This Agreement shall not be deemed to constitute the parties hereto as partners or joint ventures, nor shall any party be deemed to constitute the other party as its agent. ALC does not assume any liability or incur any obligation of Broker by the execution of this Agreement. It is intended by the parties that Broker have the legal status of independent contractor in relation to ALC.
- 6. Indemnification of ALC:** Broker agrees to indemnify and hold ALC harmless from and against any and all loss, damage and liability sustained or incurred by ALC, including all costs and reasonable attorney fees, arising out of or based upon the inaccuracy or breach of any warranty or representation made by the Broker in this Agreement and breach by Broker of any obligation or covenant to be performed by it; under this Agreement. In the event of any claim against ALC by mortgage loan debtor which indicates that Broker may have breached this Agreement, ALC shall have the right to assume the legal defense of ALC and Broker, including but not limited to, any appellate proceedings, and Broker shall pay ALC its reasonable legal costs and expenses.
- 7. Limited Power of Attorney:** Broker irrevocable makes, constitutes and appoints ALC its attorney-in-fact with full power of substitution for and on behalf and in the name of Broker for the limited purpose of endorsing any checks, instruments or other papers in Broker's possession representing payments on mortgage loans and mortgages funded by ALC, to complete, execute, deliver and record any assignment or other document, to endorse any mortgage loan note in the name of Broker and do every act or thing necessary or desirable to effect transfer of an ALC funded mortgage loan ;note or mortgage or any related collateral to protect the interest of ALC in the collateral for the mortgage loans.
- 8. Termination - Expiration:** This Agreement may be terminated at any time by mutual agreement of the parties or in the sole discretion of ALC, upon one business day notice by ALC to Broker. ALC shall not be obligated to fund any mortgage loan originated by Broker once notice to terminate has been communicated to Broker. After termination, the provisions of the Agreement shall remain in effect for those Mortgage Loans funded by ALC prior to the date of termination.

9. Miscellaneous.

9.1 **Notices:** Except as to routine business matters, any and all communications between the parties hereto or notices provided herein to be given shall be delivered in person or sent by certified or registered mail, return receipt requested, as follows:

9.2

If to A.L.C.: Allied Lending Corporation
23282 Mill Creek Drive Suite 340E
Laguna Hills, CA 92653

If to Broker: _____

9.2 **Right to Offset:** Amounts owed by Broker to A.L.C. under this Agreement may, at A.L.C.'s option and in its sole discretion, be offset by A.L.C. against any payments then or thereafter owned by A.L.C. to Broker.

9.3 **Assignment:** Broker may not assign this Agreement or its duties hereunder.

9.4 **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous agreements, representations and understandings. No supplement, modification or amendment shall be binding unless executed in writing by both parties.

9.5 **Delay-No Waiver:** No delay in exercising or failure to exercise any right, power or remedy accruing to A.L.C. though any breach or default of Broker under this Agreement or any acquiescence to any such breach or default or to any similar breach or default thereafter occurring, shall impair any such right, power, or remedy of A.L.C., nor shall any waiver of any single breach or default be deemed a waiver of any breach or default thereafter occurring.

9.6 Any Loan payoff (as of the date of payoff to the Servicer, not the remittance date of a payoff to Allied Lending that occurs within ninety (90) days of Loan purchase or funding by Allied Lending will result in the Seller being required to return to Allied Lending any premium paid (i.e., purchase premium and/or servicing release premium, if any) by Allied Lending to the Seller at the time the Loan was purchased or funded.

10. **Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the state of California.

IN WITNESSS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the date first set forth above.

Allied Lending Corporation

Broker

By: _____

By: _____

Its: _____

Its: _____

All approved Wholesale Loan Brokers must be aware that the licensed Real Estate Broker bears the responsibility for all actions of his/her employees or licensees. The broker is responsible for the content and quality of each application taken and each loan submitted to Allied Lending Corporation.

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

I. Types of Loan Fraud

1. Submission of inaccurate information, including false statements on loan applications and falsification of documents purporting to substantiate credit, employment, deposit, and asset information including identity, ownership/non-ownership of real property, etc.
2. Forgery of partially or predominantly accurate information.
3. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
4. Lack of due diligence by broker/loan officer/interviewer/processor, including failure to obtain all information required by the application and failure to request further information as directed by Borrower's response to other questions.
5. Unquestioned acceptance of information or documentation, which is known, should be known, or should be suspected to be inaccurate.
 - A. Simultaneous or consecutive processing of multiple owner occupied from one applicant supplying different information on each application.
 - B. Allowing an applicant or interested third-party to "assist" with the processing of the loan.
6. Broker's non-disclosure of relevant information.

Consequences

The effect of “Loan Fraud” is costly to all parties involved. Allied Lending Corporation stands behind the quality of its loan production. Fraudulent loans cannot be sold into the secondary market; if sold, will require repurchase by Allied Lending Corporation. Fraudulent loans damage our reputation with our investors and mortgage insurance providers.

The price paid by those who participate in “Loan Fraud” is even more costly. The following is a list of a few of the potential consequences that may be incurred:

Consequences to Broker

1. Criminal prosecution.
2. Loss of Real Estate Broker’s license.
3. Loss of lenders access due to exchange of information between Lenders, Mortgage Insurance Companies, including submission of information to Investors (FHLMC/FNMA), Police, Agencies, and the Department of Real Estate (DRE).

Consequences of Borrower

1. Acceleration of debts (FNMA/FHLMC Deed of Trust, revised 9/90). Item #6 states: “Borrower shall also be in default if Borrower, during the loan application process gave materially false or inaccurate information or statements to lender (or failed to provide lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower’s occupancy of the principal residence”.

NOTE: Foreclosure under the Borrower will not have the benefit of reinstatement in order to cure the default; the Borrower must pay off the loan in full prior to the sale date of the property.

2. Criminal prosecution.
3. Civil action by Allied Lending Corporation and Broker.
4. Civil action by other parties to transaction, such as seller or real estate agent/broker.
5. Employment termination.
6. Loss of professional license, if any.
7. Adverse effect on credit history.

I have read the foregoing and understand Allied Lending Corporation’s position on “Loan Fraud”.

Signature of Broker of Record

Signature of Principal Officer