

BROKER AGREEMENT CHECKLIST



ACCOUNT EXECUTIVE: _____

REQUIRED ATTACHMENTS	
	Mortgage Broker Application
	Mortgage Broker Agreement
	Corporate Resolution: If Corporation or Limited Liability Company; or
	Loan Fraud Zero Tolerance Addendum
	Broker Compensation Addendum
	W-9
	Resumes: Provide a resume for each principal, broker owner and key staff member
	Financials: Include the most recent balance sheet and income statement, dated within the last 90 days. Unaudited financials must be signed by an officer of the company.
ORGANIZATIONAL DOCUMENTS	
	Corp: Articles of Incorporation and By-laws
	LLC: Articles of Organization and Operating Agreement
	LP: Certificate of Limited Partnership and Limited Partnership Agreement
	GP: Formation of Partnership and Partnership Agreement
	DBA Filings: All DBA filings for subsidiaries and Amendments to Organizational documents, if applicable.

Company Information

Business Name			
DBA			
Address			
City, State, Zip			
Phone:		Fax:	
Email:			
Format of Business	Sole Proprietorship	C Corp	S Corp LLC
Date Company Formed/Incorporated:			
State:		County	
Company TIN or SSN		Company NMLS ID	

Principals - Must List All, List on Separate Sheet if More Room Needed

Name			
SSN		% of Ownership	
Title		Phone	

Email			
Name			
SSN		% of Ownership	
Title		Phone	

Email			
Name			
SSN		% of Ownership	
Title		Phone	
Email			

Production for Most Recent 12 Months

Conventional	Units	Volume \$
Jumbo	Units	Volume \$
FHA	Units	Volume \$
VA	Units	Volume \$

Lender References (Please provide three (3) lender references)

Lender	
AE Name	
Phone	
Email	

Lender	
AE Name	
Phone	
Email	

Lender	
AE Name	
Phone	
Email	

Company History

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

	Yes	No
1. Has your company ever been suspended from selling or submitting loans to a lender?		
2. Has your company, and/or principals or corporate officers, ever been named as defendant in a lawsuit for alleged fraud or misrepresentation in connection with any real estate related activity?		
3. Has your company ever been involved or is currently involved in any litigation?		
4. Has your company, and/or principals or corporate officers, been named as defendant in a criminal proceeding a complaint/conviction for alleged fraud or misrepresentation in connection with any real estate related activity?		
5. Has your company, and/or principals or corporate officers, filed for protection from creditors under any provision of the bankruptcy laws within the past seven years?		
6. Has your company, and/or principals or corporate officers, ever had a real estate or other professional license suspended, revoked or received any other disciplinary action from a regulatory agency?		
7. Has any lender enforced, or attempted to enforce, the hold harmless or repurchase clause of their correspondent or broker agreement with your company and/or any principals or corporate officers?		

For the purpose of inducing lenders to provide financing for customers of the undersigned, I/we certify the above information to be true and correct. The undersigned declares that the foregoing information and all accompanying information are true to the best of his/her knowledge and belief. EMET Mortgage is hereby authorized to obtain verification of information from any source (including character and credit references) and obtain a personal credit report for each principal in connection with this Third-Party Originator (TPO) application. The undersigned herein transfers all information to EMET Mortgage. EMET Mortgage is further authorized to update my/our credit report four times per year and maintain a history for review by lenders accepting the EMET Mortgage TPO Certification Program.

Broker of Record

Signature: _____

Date: _____

Print Name: _____

Title: _____

Principal / Corporate Officer

Signature: _____

Date: _____

Print Name: _____

Title: _____

This Agreement is made as of the latest date shown below by the undersigned BROKER, (hereinafter referred to as "Broker") and EMET LENDING GROUP, INC. DBA EMET MORTGAGE (hereinafter referred to as "EMET MORTGAGE"), a California corporation.

RECITALS

Whereas, Broker is in the business of originating, processing and submitting for approval to mortgage banking firms and financial institutions on behalf of individual borrowers, applications for loans to be secured by real property; and being duly authorized and licensed by all applicable regulatory agencies to do so, does hereby submit to enter such a relationship with EMET MORTGAGE.

EMET MORTGAGE, being a fully licensed mortgage banking firm, and as such, is in the business of making such loans, in consideration of such a relationship wherein EMET MORTGAGE may consider the acceptance of such loan applications, EMET MORTGAGE requires the Broker to fully execute the following as a stipulation of agreement to enter such relationship.

NOW, THEREFORE, in consideration of the foregoing premises, and on the terms and conditions hereinafter set forth, is the agreement of the parties hereto.

I. GENERAL TERMS, to which the parties hereto do hereby agree:

- A. Nothing contained in this Agreement or in connections with Broker's submission of any loan application package to EMET MORTGAGE shall create or be deemed to create a partnership, joint venture, agency or employment relationship between Broker and EMET MORTGAGE. Broker shall be exclusively responsible for all of its own costs and expenses in connection with Broker's business and loan processing. Broker represents and warrants that Broker is not in any way affiliated or connected with EMET MORTGAGE, including any representation that Broker's office is an office or branch of EMET MORTGAGE.
- B. Periodic examinations, at reasonable times and upon reasonable notice to Broker, may be performed by EMET MORTGAGE and/or their agents and representatives to audit Broker's organization, procedures and practices and to examine such records and policies relating to mortgage loan packages as may be necessary to satisfy EMET MORTGAGE that Broker has the ability to perform the duties respective to originating and processing such loan packages, and Broker herein acknowledges the authority hereunder of EMET MORTGAGE to perform such review audits.
- C. The contents of all loan packages submitted to EMET MORTGAGE shall immediately become the property of EMET MORTGAGE, and all information therein may be subject to EMET MORTGAGE independent verification. Failure or delay by EMET MORTGAGE to audit any Loan or to exercise any right, or to enforce any of its rules or regulations shall not act as a waiver of any other right, nor shall any single or partial exercise of any right preclude any other or further exercise thereof. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver, and shall not prevent EMET MORTGAGE from exercising any right or remedies or enforcing any rule or regulation in the future. All remedies shall be cumulative and nonexclusive.
- D. Nothing contained in this Agreement shall obligate EMET MORTGAGE to approve or fund the loan

requested by any loan application submitted by Broker. The loan shall be deemed approved only upon the delivery of EMET MORTGAGE's express written approval, and shall be funded only after such time as Broker has delivered to EMET MORTGAGE any and all conditions placed on such approval, provided such condition(s) are to the satisfaction of EMET MORTGAGE, and the funding of any loan submitted and approved hereunder, in the case of an Approved Broker, shall be in the name of EMET MORTGAGE, and in the case of an Approved HUD Correspondent, shall be in the Correspondent's name.

- E. This agreement shall commence as of the latest date entered below and shall continue for a period of; one year, or, the valid term remaining of any required license or any other certification of authorization to transact business as hereunder intended, as may be required by applicable Federal, State or Local law and/or statute of the governing agency and/or authority, at which time continued submission of any loan application will be conditional upon evidence of Broker's continued ability to perform under those licenses and authorizations, as well as the terms of this agreement.
- F. Broker agrees that this Agreement supersedes all previous agreements entered into between the parties hereto and the terms and condition hereof shall apply to and govern all loan brokerage transactions heretofore and hereafter conducted between Broker and EMET MORTGAGE.
- G. The entering into this agreement does not prevent EMET MORTGAGE from subsequently revoking it's agreement to participate hereunder nor shall it restrict EMET MORTGAGE from otherwise pursuing any of its rights and remedies as set forth in this agreement should EMET MORTGAGE determine that Broker did not or does not satisfy EMET MORTGAGE's Eligibility Standards or those of any applicable regulatory agency or authority.
- H. This agreement may otherwise be terminated by either party, at any time, upon written notice to the other party; provided, however, that the obligations contained herein shall survive such termination.
- I. This agreement shall be deemed to be a Contract, its terms and conditions shall be governed by and construed in accordance with the Laws of the State of California and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws without regard for the principles of conflict of law; and individual loans shall be governed by the laws of the state in which the property is located with regard to any performance at issue relative to the property and/or the respective loan transaction.
- J. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled by the decree of those proceedings.
- K. Where applicable by Law, either party hereto may commence neutral arbitration proceedings against the other to resolve any dispute. Such arbitration proceedings, when acceptable by law, shall be governed by the Commercial Arbitration Rules of the American Arbitration Association as they may be amended from time to time. The parties hereto do hereby agree that where

acceptable by Law, such arbitration shall be the exclusive means of resolving disputes between them and that they shall be bound by the decree of such arbitration. BY SIGNING THIS DOCUMENT, YOU WAIVE CERTAIN LEGAL RIGHTS, INCLUDING THE RIGHT TO TRIAL BY JURY.

- L. If any provision of this Agreement is held to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.
- M. This Agreement, and the rights and duties hereunder are personal to Broker, and accordingly, Broker shall have no right to, and shall not assign, sell or transfer any rights arising hereunder, nor delegate any of Broker's duties and obligations undertaken hereby; and EMET MORTGAGE shall have the right to assign its rights and duties hereunder without Broker consent or approval, and Broker terms, duties, obligations, covenants, representation and warranties shall remain valid and enforceable for EMET MORTGAGE'S successors and or assigns.
- N. Each party shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.
- O. Neither the Parties nor anyone, anything, or anybody shall construe this agreement for the benefit or interest of any third parties, persons, or entities. Consequently, the Parties agree no third party shall acquire any rights or interest in this agreement, including but not limited to the underwriting of the loan submission from Broker whether performed, failed to perform, or substantially or insubstantially performed by EMET MORTGAGE.

II. BROKER RESPONSIBILITIES shall include, at Broker's expense:

- A. During the term of this agreement, Broker shall be duly licensed and maintain in effect all applicable licenses, permits, approvals and/or authorizations as may be required by applicable Federal, State and local Agency requirements, regulations, codes and statutes (Laws), as stipulated by any and all governing authorities and shall at all times comply by those Laws.
- B. Broker is and at all times during the term of this agreement shall remain familiar with and perform its duties according to all applicable regulations hereunder in accordance with all Federal, State and local governing Agency Laws applicable to each loan application including, but not limited to usury limitations, Truth-In-Lending Act, Real Estate Settlement Procedures Act, Equal Credit Opportunity
- C. Act, Consumer Credit Protection Act, Flood Disaster Protection Act, Fair Housing Act, Home Mortgage Disclosure Act, Mortgage Disclosure Improvement Act, Dodd-Frank Act, Gramm-Leach-Bliley Act, Mortgage and Anti-Predatory Lending Act, Appraisal Independence Rules, and all other provisions of the Federal and State law, all as amended from time to time. Broker shall act in accordance and remain knowledgeable of all agencies, affiliates, and regulators provisions, including but not limited to the provisions of the Consumer Financial Protection Bureau.
- D. Broker agrees that as an Authorized FHA Originator (if applicable), Broker must continue to comply with all relevant Federal regulatory requirements. All FHA loan origination and processing functions must be compliant with FHA requirements.
- E. Maintain at all times a minimum tangible net worth equals to a minimum of twenty-five-thousand

dollars and no cents (\$25,000.00) for approval unless state requirements are greater. Net worth must be determined in accordance with Generally Accepted Accounting Principles (GAAP).

- F. Broker attests to conducting due diligence, including, but not limited to, running background checks, consumer credit reports, and checking against all government and agency exclusionary lists, on all employees and/or contractors of Broker prior to hire. Broker further attests that (1) Broker does not hire any employees or independent contractors appearing on any government or agency exclusionary lists, or
- G. who have background checks indicating fraud, theft crimes, or crimes of moral turpitude, and (2) Broker requires letters of explanation, satisfactory to Lender, for all liens, judgments, and other derogatory items appearing on any employee's or independent contractor's consumer credit report.

III. BROKER REPRESENTS and WARRANTS to EMET MORTGAGE, as of: (i) the time any loan package is submitted to EMET MORTGAGE, and (ii) as of the time the loan is funded and closed, that:

- A. Loan application packages shall be prepared and presented in accordance with such programs, procedures and fee schedules as EMET MORTGAGE may establish and/or make available from time to time.
- B. Any Loan submitted by Broker shall contain all information and documentation as required by EMET MORTGAGE and/or its investors and regulatory agencies (i.e., FNMA, FHLMC, GNMA, Warehouse/Collateral Banks), including but not limited to, the Loan Application itself, consumer credit disclosures, credit reports, verifications of deposit, verifications of employment, all verifications, loans, appraisals, security instruments and other applicable disclosure statements.
- C. Each loan application package shall contain such information as EMET MORTGAGE may require for determining its acceptability, including but not limited to applicant's income and credit history, current financial condition, and other information as EMET MORTGAGE may require.
- D. Information and verification of information included in loan packages submitted by Broker shall have been obtained using professionally prudent standards as developed and interpreted by the Consumer Financial Protection Bureau and those generally accepted in the lending industry and regulatory agencies, including prudent checks regarding the ability for repayment of an obligation by all borrowers, regardless of loan program, standards, conditions, lack of conditions or requirements. No Borrower shall have had in its direct or indirect possession or control any credit, income, or deposit verification document submitted to EMET MORTGAGE with respect to any Loan.
- E. The information contained in any Loan package submitted by Broker shall be true and correct in all material respect, is free of fraud and misrepresentation, and shall not fail to disclose any fact or circumstance that might reasonably be material to EMET MORTGAGE as part of its underwriting and or closing review.

BROKER UNDERSTANDS THAT BY MAKING THIS WARRANTY CONTAINED IN THIS SUBPARAGRAPH, IT IS WARRANTING THE ACCURACY OF ALL INFORMATION CONTAINED IN ANY LOAN PACKAGE SUBMITTED BY ITS FIRM OR ITS AGENTS AND/OR REPRESENTATIVES TO EMET MORTGAGE,

WHETHER OR NOT BROKER HAS KNOWLEDGE OF, OR REASON TO SUSPECT ANY INACCURACY.

- F. Broker substantially understands the liability and necessity for proper compensation plans and anti-steering processes, and agrees to indemnify and hold harmless EMET MORTGAGE, its officers, employees, successors and/or assigns from any and all failures to comply with Regulation Z originator compensation and anti-steering regulations. Should any investor require EMET MORTGAGE to repurchase a loan funded for Broker due to non-compliance or failure to provide satisfactory evidence of compliance with federal regulations herein, Broker substantially understands and wholly agrees to repurchase any such loans from EMET MORTGAGE within ten (10) business days upon request by EMET MORTGAGE. Broker further understands and agrees to cover any and all legal costs and fees with respect to litigation regarding these originator compensation and anti-steering regulations for loans originated by Broker and funded by EMET MORTGAGE.
- G. In the event it is determined or otherwise learned that any material misstatement has been made by the Broker or Broker's agent and/or representative in connection with a Loan, or either knowingly aiding a Borrower to do the same, or, any misrepresentation or fraud exists in a Loan, whether before or after EMET MORTGAGE acts on the submission of the Loan, Broker hereby acknowledges and agrees that EMET MORTGAGE may report such instances to appropriate state or federal regulatory authorities or law enforcement agencies.
- H. Broker agrees to indemnify and hold EMET MORTGAGE, its successors and/or assigns, or other Agency harmless from and against any and all claims, actions, liabilities or damages arising either directly or indirectly there from, including, but not limited to, attorney's fees, judgments or other expenses incurred as a result of providing this information to others.
- I. In the event a borrower evidences a first payment or (EPD) early payment default (i.e. --- never makes the first payment, misses any payment within the first six months) that is not due to death or a natural disaster beyond their control, the broker shall be responsible for return to EMET MORTGAGE of any lender paid or borrower-paid compensation in the form of rebates or service release premiums, and or up to the amount of any commissions paid to them by EMET MORTGAGE in addition to any and all EMET MORTGAGE damages. Repayment shall be due within ten days of written notice by EMET MORTGAGE.
- J. Broker understands that EMET MORTGAGE has obligations to secondary market investors and loan servicers for loans that pay off within One Hundred Eighty (180) Days from Funding Date. In the event of an early payoff (EPO) as outlined in the previous sentence, our broker partner agrees to return to EMET MORTGAGE any lender paid or borrower-paid compensation in the form of rebates or service release premiums, and or up to the amount of any commissions paid to them by EMET MORTGAGE. Additionally, our broker partner agrees not to solicit borrowers for refinances within One Hundred Eighty (180) Days of the funding date. Repayment shall be due within ten days of written notice by EMET MORTGAGE.

IV. BROKER COVENANTS that Broker shall indemnify, save, and hold EMET MORTGAGE and its directors, officers, agents, employees, successors, and assigns harmless from and against, and shall reimburse the same with respect to any and all loss, damage, claim, liability, cost and expense, including attorney's fees,

from any cause whatsoever, incurred by reason of or arising out of or in any way connected with, (a) any breach of any representation or warranty, term, or condition contained in this Agreement, amendments incorporated by reference, or undertaking of Broker; (b) Broker's failure to perform any obligation hereunder, (c) any claim by a Borrower resulting from EMET MORTGAGE failure or refusal to fund a Loan, and (d) Broker's negligence or willful acts in connection with any Loan package submitted by Broker. Upon execution, the indemnification provision shall survive any termination or cancellation of this Agreement.

Broker's obligation to fully indemnify EMET MORTGAGE under this Agreement shall not be affected by EMET MORTGAGE taking any of the following actions with or without notice to Broker: (a) liquidation, repayment, retirement, or sale or resale of any Loan; (b) foreclosure of any loan; (c) bankruptcy proceedings for a borrower; or (c) sale or resale of the property securing any Loan. EMET MORTGAGE rights and remedies with respect to any breach of the representations, warranties, and covenants of Broker contained in this Agreement will survive delivery and funding of any Loan submitted by Broker and the termination or expiration of this Agreement.

V. FEES and COMMISSIONS or other consideration payable to Broker with respect to any Loan shall be paid only after EMET MORTGAGE deducts from Loan proceeds all of its fees and charges. No fee shall be owed to Broker on account of any proposed Loan, which is not funded and closed.

- A. EMET MORTGAGE is not responsible for errors in loan fees or expenses unless an itemized accounting of such fees is submitted to EMET MORTGAGE by Broker no later than 24 hours prior to loan documents being drawn and said fees are confirmed by EMET MORTGAGE.
- B. Broker represents that compensation requested from and paid to Broker by EMET MORTGAGE relative to any mortgage loan funded by EMET MORTGAGE as a result of Broker's submission, shall not exceed fair market value of services rendered and that said services have in fact been rendered and that such fees and compensation have been duly disclosed to the appropriate parties, and further warrants that Broker will accept no additional compensation from applicant, except as may be prescribed by applicable Law. Broker agrees to submit a Loan Originator Compensation Certification on every file, to save such agreement and compensation plan for the applicable legal time period and only accept payment according to the Compensation Addendum in force at the time of the loan closing.
- C. Final settlement of all amounts due Broker as a result of a Loan closing shall be made after any and all outstanding conditions to the loan closing have been satisfactorily delivered to EMET MORTGAGE, and confirmation of recording of applicable security instruments has been obtained by EMET MORTGAGE. Broker agrees it is the responsibility of the broker to submit all loan closing conditions prior to closing of the loan.
- D. Right of Set Off Broker grants EMET MORTGAGE the right of set-off and EMET MORTGAGE may deduct any fees, penalties, damages, or other sums owed by Broker to EMET MORTGAGE hereunder from the loan funding of any Mortgage Loans by EMET MORTGAGE. Broker shall be responsible for compensating EMET MORTGAGE for any tolerance cure(s) that EMET MORTGAGE is required to make to the Borrower because of Broker's acts or omissions in connection with the Mortgage Loan as determined by EMET MORTGAGE in its sole and absolute discretion. EMET MORTGAGE may also withhold, set-off and apply any fees expense, tolerance cures, or other

matters otherwise due and payable to the Broker. EMET MORTGAGE shall have the right to withhold any fees or payments until the Loan file is complete and the Broker has performed all of its obligations under this agreement. Examples may include but not limited to QM tolerance cures, under-disclosed fees, and/or lock events.

E. Broker warrants that all loans shall comply with the Federal Reserve Board Regulation Z of the Truth in Lending Act found at 12 CFR 226.36, including payments to loan originators. Broker warrants that all loans shall comply with the anti-steering provision and satisfy the “Safe Harbor” Test of the Rule. Broker warrants that all loans shall contain the required “Loan Originators Compensation Certification,” which attests to compliance with the federal rule and proper compensation. On Borrower-Paid loans, Broker warrants that no party other than the borrower will compensate Broker. On Lender-Paid loans, Broker warrants that no party other than EMET MORTGAGE will compensate Broker, including the borrower, seller on a purchase, or any other party. Broker affirms its newly enacted duty to EMET MORTGAGE to retain all compensation agreements as necessary to defend any and all foreclosure actions under the new rule based on the length of the term of the loan funded notwithstanding the Federal Rule requiring record retention for a minimum of two (2) years. Broker affirms its duty to provide satisfactory evidence of compliance with all rules and regulations as requested or needed by EMET MORTGAGE within a reasonable timeframe. EMET MORTGAGE defines a reasonable timeframe as within ten (10) business days.

VI. THIS AGREEMENT is the entire agreement between Broker and EMET MORTGAGE with respect to the matters set forth herein and supersedes all other agreements. No additions or modifications to this Agreement shall be valid unless set forth in writing and signed by the parties to this Agreement.

All notices hereunder shall be in writing and shall be deemed to have been given, made, and received only upon delivery, postage prepaid, certified or registered, return receipt requested, at the respective addresses appearing below, or at such address as may be reported in accordance with this subparagraph one party to the other.

Broker of Record

EMET Mortgage Authorized Signer

Signature: _____

Signature: _____

Date: _____

Date: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

WHEREAS, _____ (the "Company") has determined that it is in the best interest of the Company to participate in EMET LENDING GROUP, INC. DBA EMET MORTGAGE'S ("EMET MORTGAGE") Wholesale Lending Program. The undersigned Secretary of the Company, a corporation/limited liability company, does hereby certify that the following is a true and correct copy of the resolutions adopted at a meeting of the Board of Directors/ Board of Managers of the Company on and that said resolutions remain in full force and effect as of the date hereof.

RESOLVED, that in connection with the application and related documents submitted herewith for the Wholesale Lending Program, the proper officer(s) of the Company be, and hereby are, authorized, empowered and directed to execute for and on behalf of the Company the Agreement and any other documents or agreements entered into from time to time by and between EMET MORTGAGE and the Company to transact the proprietary business of originating mortgage loans for funding consideration.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the _____ Corporate Seal

seal of the Company this day of _____ 20____

Secretary Name: _____

Signature: _____ Date: _____

Title	Typed Name	Signature
President	_____	_____
Secretary	_____	_____
Treasurer	_____	_____
Vice President	_____	_____

All Loan Officers must be aware that the company/broker/principal(s) bear the responsibility for all actions of its employees or licensees. The Loan Officer is responsible for the content, quality and accuracy of each application taken and each loan submitted to EMET MORTGAGE.

Types of Loan Fraud

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

Consequences

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

Company Consequences

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

Loan Officer Consequences

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

I have read the foregoing and understand EMET MORTGAGE position on "Loan Fraud."

Principal Signature: _____ Date: _____

Broker Signature: _____ Date: _____

LENDER PAID COMPENSATION ELECTION FORM



Broker will be compensated by EMET Mortgage in accordance with the requirements under the Truth in Lending Act and Regulation Z, specifically the Loan Originator Compensation Rules.

1. The Lender Paid Compensation will be set at _____% (0.75% through 2.75% in .125 increments) of the loan note amount PLUS a flat fee amount per loan as selected below:

2. Select option for additional Flat Fee paid to broker \$_____ (Max. \$750.00)
 - If flat fee is not indicated, Broker will default to \$0.00
 - Flat fee is not avail if comp selection is $\geq 2.500\%$

If Broker is compensated by the borrower or any other person or entity then the terms pertaining to Lender Paid Compensation will not be applicable.

The compensation total plus any other lender points and/or fees must be less than 3% of the calculated "total loan amount" at the time of submission.

The broker or other authorized signors indicates by his/her signature below that this compensation election request is approved for the Loan Originator firm and further certifies that the submitted plan is in compliance with the current regulations.

Broker of Record

Signature: _____

Date: _____

Print Name: _____

Title: _____