



# **CORRESPONDENT AND WAREHOUSE APPLICATION**

**Axos Bank**  
**4795 Eastgate Mall, Suite**  
**200 San Diego, CA 92121**  
**Phone: (888) 764-7080**  
**Email: [WLD@axosbank.com](mailto:WLD@axosbank.com)**

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# CORRESPONDENT AND WAREHOUSE APPLICATION

Warehouse Line Amount Requested	Axos Bank Contact/Account Representative
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## BUSINESS PROFILE

<b>Company Information</b>	Business Name		Street Address	
	City		State	Zip
	Phone		Fax	Website
	Primary Contact		Email	

<b>Firm's DBA Names</b>	Firm's DBA Name
	Firm's DBA Name
	Firm's DBA Name
	Firm's DBA Name

<b>Tax &amp; Business Structure</b>	Federal Tax Employer ID Number	Date Founded	State of Incorporation								
	Firm's Business Structure (Select only one): <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Sole Proprietorship</td> <td style="width: 33%;">General Partnership</td> <td style="width: 33%;">LLC with a tax status of Sole Proprietor</td> </tr> <tr> <td>C-Corporation</td> <td>Limited Partnership</td> <td>LLC with a tax status of a Corporation</td> </tr> <tr> <td>S-Corporation</td> <td>Bank</td> <td>Other</td> </tr> </table>			Sole Proprietorship	General Partnership	LLC with a tax status of Sole Proprietor	C-Corporation	Limited Partnership	LLC with a tax status of a Corporation	S-Corporation	Bank
Sole Proprietorship	General Partnership	LLC with a tax status of Sole Proprietor									
C-Corporation	Limited Partnership	LLC with a tax status of a Corporation									
S-Corporation	Bank	Other									

# CORRESPONDENT AND WAREHOUSE APPLICATION

## APPLICATION CHECKLIST

	Initial \$1,000.00 non-refundable Application Fee made payable to Axos Bank
	Current Business Licenses
	Current up-to-date Resumes for all Owners, Principals, Broker of Record, Controller, Operations Manager, Chief Underwriting Officer, and Director of Funding. Resumes should include positions held, job responsibilities and dates of employment.
	<p>Required Legal Documents:</p> <ul style="list-style-type: none"> <li>• If the firm is a Corporation, submit a stamped/ filed copy of the Articles of Incorporation.</li> <li>• If the firm is an LLC, submit a stamped/ filed copy of the Membership Agreement.</li> <li>• <i>If the firm is operating under any assumed, fictitious, or DBA name, submit a copy of the properly filed/registered Partnership Agreement.</i></li> </ul>
	DBA - If Mortgage Banker possesses an active or inactive DBA or has in the past two years, provide a copy of the Fictitious Business Name Filing with the County including permission from the State Corporation Commission allowing use of the DBA. If the DBA is used in multiple states, documentation is needed for each state. Provide a brief explanation on the usage of each DBA, active or inactive covering the past 2 years as it relates to your business
	W-9 Form, signed by an authorized signer, indicating the firm's main address, appropriate box checked (Individual/Sole Proprietor, Corporation, LLC, Partnership), and the appropriate taxpayer identification number (TIN). The W-9 Form should be filled out in the full legal name of the firm – not the DBA name.
	Most recent 2 years Audited Financial Statements
	Year-to-Date unaudited Financial Statements
	Most recent 2 years Business Tax Returns
	Most recent 2 years Individual Tax Returns for all owners of 20% or more
	Personal Financial Statement for all owners of 20% or more
	Investor Scorecards
	A copy of your Fidelity Bond and E&O policy
	Agency Approval Letters
	A copy of your Quality Control Plan
	Business Overview Narrative
	Entity Diagram
	MERS ID Number
	Executed 4506-T for Business and Individual owners of 20% or more

# CORRESPONDENT AND WAREHOUSE APPLICATION

## OWNERSHIP, PRINCIPLES AND AUTHORIZED SIGNERS

Names of all Owners, Principals, or Authorized Signers	Social Security Number	Owner	Ownership Percentage	Years with Firm	Years in Mortgage Industry	Authorized Signer

## KEY PERSONNEL LIST

<b>Sales Manager</b>	Name	Email
<b>Operations Manager</b>	Name	Email
<b>Secondary Marketing</b>	Name	Email
<b>Underwriting Manager</b>	Name	Email
<b>Shipping / Delivery</b>	Name	Email
<b>Post-Closing</b>	Name	Email

## BANKING PROFILE

<b>Banking Profile</b>	Years in Business	Years Banking Loans	Number of Branches	Number of Operations Centers
	Number of Loan Originators	Number of Ops Staff	Location of Ops/Fulfillment Centers	
	Are Loans Processed at Branch Locations?	Number of States Licensed In	Top States for Business	

# CORRESPONDENT AND WAREHOUSE APPLICATION

## LOAN PRODUCTION

<b>Volume Profile</b>	Total Loan Volume Of Previous Year \$		
	CONV %	GOVT %	JUMBO %
	PURCHASE %	REFINANCE %	REVERSE %
	FIXED %	ARM %	2NDs/HELOCs %
	Total loan volume YTD\$	Average Agency Loan Amount \$	Average Non-Agency Loan Amount \$
	Expected Axos Bank Product Submissions within 30 days of approval (Loans Sold to Axos Bank)\$		
	Expected Annual Axos Bank Warehouse Volume\$		

## SALES & REFERRAL SOURCES

<b>Lead Sources</b>	REALTORS %	PRIOR CUSTOMERS %
	DIRECT MAIL %	INTERNET %
	CALL CENTER %	OTHER %

# CORRESPONDENT AND WAREHOUSE APPLICATION

## EXISTING WAREHOUSE LINES AND HISTORY

Warehouse Lender	Line Amount	Date Opened	Reason for Closure

## INVESTORS

Investor	Date Approved	Delegated?	Best Efforts or Mandatory?

## OTHER BUSINESS REFERENCES (Title Company, MI Company, Bank, Closing Attorney)

Company Name	Contact Name	Contact Phone or Email	Length of Time Collaborating

# CORRESPONDENT AND WAREHOUSE APPLICATION

## CORRESPONDENT AND WAREHOUSE QUESTIONS

<b>1</b>	What loan origination system do you use?
<b>2</b>	What warehouse lending system(s) do you use?
<b>3</b>	Do you outsource hedging activities? If yes, with whom?
<b>4</b>	Do you utilize a vendor for pricing or best-execution programs? If yes, please list vendor(s)
<b>5</b>	Do you have designated underwriting authority from investors other than FNMA, FHLMC, FHA, HUD/USDA/VA? If so, with whom? <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>6</b>	MERS Org ID# _____
<b>7</b>	Are you an approved Seller/Servicer for any of the following? <input type="checkbox"/> FNMA <input type="checkbox"/> FHLMC <input type="checkbox"/> GNMA <input type="checkbox"/> FHA <input type="checkbox"/> HUD <input type="checkbox"/> USDA <input type="checkbox"/> VA
<b>8</b>	Have you ever been terminated under other Correspondent Lending Relationships or been fined, sanctioned, or suspended by FHA, VA, Fannie-Mae, Freddie-Mac, or any regulatory agency? If yes, attach letter of explanation. <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>9</b>	Do you currently have any aged loans over 60 days on your other warehouse line(s)? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how many and what are the circumstances?
<b>10</b>	Have you had any repurchase loans in the past two years? <span style="float: right;"><input type="checkbox"/> Yes   <input type="checkbox"/> No</span>
<b>11</b>	Do you currently have any repurchase requests outstanding? <span style="float: right;"><input type="checkbox"/> Yes   <input type="checkbox"/> No</span>
<b>12</b>	Have you (any owner(s) ≥ 20%) ever been convicted of a felony? <span style="float: right;"><input type="checkbox"/> Yes   <input type="checkbox"/> No</span>
<b>13</b>	Do you currently have any outstanding lawsuits and/or judgments against you? If yes, attach letter of explanation. <span style="float: right;"><input type="checkbox"/> Yes   <input type="checkbox"/> No</span>

# CORRESPONDENT AND WAREHOUSE APPLICATION

## AFFILIATED COMPANIES

Does the Firm and/or any owners of the Firm have an ownership interest in, or affiliation with any Escrow/Closing Company, Title Company, Real Estate or Appraisal Firm?

YES  NO

If yes, please provide the full name and address of each company and the type of business in which they engage:

Name	Business Type
Address	
Name	Business Type
Address	
Name	Business Type
Address	

*(Attach a copy of firms standard Affiliated Business Disclosure Form – attach additional sheets if necessary)*

## PREFERRED TITLE AND SETTLEMENT COMPANIES

Company Name	Phone Number	Address

# CORRESPONDENT AND WAREHOUSE APPLICATION

## WAREHOUSE WIRING INSTRUCTIONS FOR CORRESPONDENT LENDING

<b>Warehouse Lender 1</b>	Warehouse Provider	Contact	Phone Number
	Depository name	Contact	Phone Number
	Address		
	City	State	Zip
	ABA Number (9 digits)		
	Account Number		

<b>Warehouse Lender 2</b>	Warehouse Provider	Contact	Phone Number
	Depository name	Contact	Phone Number
	Address		
	City	State	Zip
	ABA Number (9 digits)		
	Account Number		

# CORRESPONDENT AND WAREHOUSE APPLICATION

## REQUIRED ATTACHMENTS FOR CORRESPONDENT APPLICATION

	Completed Correspondent Agreement, executed in the full legal name of the Firm, signed and dated by an authorized signer.
	Completed Correspondent Application and Correspondent Lending Profile.
	Main Office Web Portal Access Form completed.
	Lists of all loan originators and loan processors (full legal names, including middle names/initials, and complete e-mail addresses).
	List of any additional locations you would like to be activated. Include name, address, contact, e-mail, telephone and fax for each location.

# CORRESPONDENT AND WAREHOUSE APPLICATION

## CERTIFICATIONS

- The information contained herein and in the attachments is true and correct. Any material misrepresentation contained herein is grounds for termination of any relationship with Axos Bank.
- Firm is duly organized under the laws of its state of incorporation or organization and has the authority to enter into this Agreement.
- Firm and all its locations are properly licensed or otherwise authorized in all states in which it does business.
- Axos Bank is hereby authorized to obtain verification of information from any source disclosed herein.
- That the owners, principals and senior management consent to allow Axos Bank to periodically investigate their backgrounds. The source of these checks may include, but is not limited to obtaining credit reports, etc.
- Axos Bank is authorized to pull business credit reports, Dunn & Bradstreet Reports, MARI Reports, MERS reports, LexisNexis, Public Records or any other business reporting sources or vendors.
- By signing this application, Firm agrees to receive any communication deemed necessary by Axos Bank, including but not limited to marketing material, bulletins, and rate sheets. Further, the Firm consents to Axos Bank's use of the facsimile numbers and email addresses included herein or any other number provided in the future by the Firm for said communication.
- All ownership, principal and senior management information listed in this application is true and correct. Further, by signing this application ownership certifies that all individuals listed on page one in this application as authorized signors are duly authorized to sign any legal agreement binding the Firm and Axos Bank.
- The Firm complies with all applicable federal, state and local "high-cost" and/or 'predatory lending' laws and has a due diligence process in place to ensure compliance and to prevent placing high-cost and predatory loans with Axos Bank.
- The Firm shall indemnify and hold Axos Bank harmless from any claims and costs, including attorney's fees arising from fraud or misrepresentation or from failure to comply with applicable law or the terms and conditions of the Master Repurchase Agreement



# CORRESPONDENT AND WAREHOUSE APPLICATION

## SIGNATURES

Preferred Method of Contact:

Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

**Dated signatures from all owners and authorized signers listed on page three of this application (or attachment) must be provided below.**

**Applicant:**

**Axos Bank:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Company

Axos Bank  
4795 Eastgate Mall, Suite 200  
San Diego, CA 92121

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## CORRESPONDENT CONSUMER AUTHORIZATION

I hereby authorize Axos Bank to obtain my consumer report or investigative consumer Report (hereinafter collectively referred to as "Report") from any consumer reporting agency via First Advantage Credco, LLC so that Axos Bank may use the Report in conjunction with its correspondent certification requirements. This authorization is intended to comply with section 604(a)(2) of the Fair Credit Reporting Act, as amended [15 U.S.C. 1681b(a)(2)].

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Signature

Axos Bank  
4795 Eastgate Mall, Suite 200  
San Diego, CA 92121  
Phone: (888) 764-7080  
Email: [WLD@axosbank.com](mailto:WLD@axosbank.com)



# CORRESPONDENT AND WAREHOUSE APPLICATION

## AUTHORIZATION/RELEASE FOR BUSINESS AND INDIVIDUALS

(“Applicant”)

Acknowledges that it is in the best interest of both Applicant and Axos Bank to perform due diligence concerning Applicant’s background and experience. Applicant further acknowledges that Applicant benefits from the efficiencies in the due diligence process that are possible when Axos Bank and other similarly-situated entities in the mortgage industry exchange information about their experiences in doing business with individuals and companies such as Applicant.

Therefore, Applicant hereby consents and gives Axos Bank permission to submit the name of Applicant’s company and any and all employees of that company for screening through any and all mortgage industry background databases. Applicant understands that Axos Bank performs quality control reviews of the loans that Applicant submits to Axos Bank for registration, review, underwriting, and/or purchase. Applicant understands and hereby consents to the release of information about any loan application that is believed to contain misrepresentations and/or irregularities. Applicant agrees and gives its consent that it and its employees may be named as the originating entity or loan officers on such loans, whether or not Applicant or its employees are implicated in the misrepresentations and/or irregularities. Applicant hereby releases and agrees to hold harmless Axos Bank, all subscribers, and any trade associations that endorse the system from any and all liability for damages, losses, costs, and expenses that may arise from reporting or use of any information submitted by Axos Bank or any other subscriber recorded in the system, and used in any way by Axos Bank or any other subscriber.

**Applicant:**

**Axos Bank:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Company

Axos Bank  
4795 Eastgate Mall, Suite 200  
San Diego, CA 92121

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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Phone: (888) 764-7080  
Email: [WLD@axosbank.com](mailto:WLD@axosbank.com)



**CORRESPONDENT  
AGREEMENT**

**Axos Bank**  
**4350 La Jolla Village Drive, Suite 140**  
**San Diego, CA 92122**  
**Phone: 888-833-0555**  
**Email: [clientrelations@axosbank.com](mailto:clientrelations@axosbank.com)**

# CORRESPONDENT AGREEMENT

THIS CORRESPONDENT AGREEMENT (the "Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_,

20\_\_ by and between Axos Bank ("Bank"), a federal savings bank having its principal office at 4350 La Jolla Village Drive Suite 140, San Diego, CA 92122, and

\_\_\_\_\_  
("Correspondent"),

a \_\_\_\_\_, having its principal office at \_\_\_\_\_

\_\_\_\_\_. Bank and Correspondent are sometimes hereinafter referred to collectively as the "Parties," and individually each as a "Party."

## PRELIMINARY STATEMENTS

WHEREAS, Bank is, among other things, a mortgage lender that purchases residential mortgage loans for portfolio and/or sale to investors in the secondary market;

WHEREAS, Correspondent is a mortgage lender that originates and funds residential mortgage loans in its own name and sells such loans to investors on the secondary market;

WHEREAS, Bank and Correspondent desire to enter into a nonexclusive relationship under which Correspondent may submit such closed loans and supporting documentation to Bank from time to time for its consideration; and

WHEREAS, Bank desires to consider purchasing loans secured by mortgages in accordance with established terms and conditions.

NOW THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration the receipt, sufficiency, and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

**Section 1. Application and Amendment of the Correspondent Guide.** Bank has provided to Correspondent and Correspondent has received and reviewed Bank's "Correspondent Guide" and all guidelines issued thereunder (Correspondent Guide, collectively with such guidelines, referred to collectively as the "Guide"), which is incorporated by reference in its entirety into this Agreement. Correspondent has had the opportunity to ask questions of Bank concerning the Correspondent Guide. Correspondent understands and agrees that Bank can amend, alter, modify, supplement, replace or restate the Guide (an "Amendment") at any time, from time to time, in its sole discretion without the consent of Correspondent and that Bank's interpretation of the Guide, as applicable, shall be final and binding on Correspondent in all respects. Bank shall give written notice to Correspondent of an Amendment to the Guide, and the

Amendment shall become effective immediately or as specifically provided therein. In the event of any inconsistencies between the provisions of this Agreement and the Guide as of the date the Agreement is executed, this Agreement shall control. However, to the extent the Guide is amended, altered, modified, supplemented, replaced or restated, following the execution of this Agreement, if there are any inconsistencies between the provisions of this Agreement and the Guide, then the Guide shall control.

**Section 2. Definitions.** Unless otherwise defined herein, the capitalization terms used herein shall have the meanings set forth in the Guide.

### **Section 3. Eligible Loans; Pricing.**

(a) Axos Bank's Loan Programs and Products. Bank will register only Eligible Loan applications, meaning home mortgage loan applications which conform to the loan programs and products then offered by Bank (collectively, the "Loan Programs"). Correspondent shall present Eligible Loans only upon submission of all information and documents required by Bank, following all requirements of the Bank related to submission. Correspondent acknowledges that Bank reserves the right to alter, add, or delete Loan Programs from time to time by amending the Guide, and Correspondent accepts responsibility for knowing which Loan Programs are offered by Bank at any given time. Correspondent shall be responsible for assuring that each Eligible Loan Application submitted to Bank complies with all of the terms and conditions of Bank's Loan Programs, and the terms and conditions hereof at the time Correspondent registers the Eligible Loan Application with Bank. Axos Bank may reject for purchase any submission from Correspondent that the Bank, in its discretion, believes does not meet, in each case, its criteria for Loan Programs, credit and underwriting standards, or its compliance policies and best practices. Nothing in this Agreement or the Guide, in each case, shall be construed to require the Bank to purchase any specific loan from Correspondent.

(b) Eligible Loan Pricing. Bank shall issue to Correspondent, on a periodic basis, rate and pricing information applicable to its Loan Programs. Such rate and pricing information is subject to change without notice. Correspondent shall comply with the guidelines set forth in the Guide concerning interest rates and lock-ins which apply to the particular Loan Programs then offered by Bank. Consistent with the provisions of Section 3(a) above, nothing in this Section 3(b) may be construed to require the Bank to offer or pay, in each case, any specific price for a loan submitted by Correspondent (it being understood that Bank may evaluate the loan and determine that it is not eligible for the pricing published on a periodic basis).

### **Section 4. Duties of Correspondent.**

(a) Taking of Eligible Loan applications. Correspondent shall take Eligible Loan applications in its own name through its employees. All Eligible Loan applications must have been originated and processed by Correspondent. Correspondent shall not submit third party originations under this Agreement.

(b) Registration; Application. Correspondent shall submit for registration each Eligible Loan application with Bank as set forth in the Guide. For each Eligible Loan application submitted to the Bank, Correspondent must provide the application signed by the prospective borrowers and such credit, financial and other information as set forth in the Guide and/or as may be required by law. Eligible Loan applications submitted by Correspondent shall be considered registered upon receipt by Correspondent of written or electronic registration confirmation from Bank. Correspondent, using its best efforts, shall assist Bank in obtaining any additional information needed by Bank or to otherwise facilitate the closing of the loan transaction.

(c) Export of Data Feed and Document Images. Correspondent shall electronically Export, to Bank or its designee(s), such loan information data and loan document images as set forth in the Guide and as reasonably required by Bank. Loan Information data shall be exported at time of loan registration or as Bank may otherwise reasonably require. In the event Correspondent requests an Eligible Loan application pre-approval from Bank, document images shall be exported by Correspondent two (2) days prior to Bank's pre-approval decision.

(d) Performance of Correspondent Services. In addition to taking the information from prospective borrowers and filling out the Eligible Loan applications, Correspondent shall perform services including but not limited to all of the following services:

- (i) Comply with all applicable local, state and federal laws and all applicable regulations promulgated thereunder, including but not limited to the Real Estate Settlement Procedures Act, The Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Credit Reporting Act, predatory lending, usury, consumer credit laws, and any other government regulatory requirements relevant to origination and brokerage of real property secured loan applications in each jurisdiction where the real property securing the promissory note is located;
- (ii) Provide or cause to be provided to prospective borrowers within time period(s) provided by law or regulation or as otherwise requested by Bank: (w) a complete and accurate anti-steering disclosure that complies with applicable laws and regulations (the "Anti-Steering Disclosure"); (x) valid and complete credit authorizations, upon which Bank may rely to the extent permitted by applicable law and regulations, executed by each prospective borrower associated with the relevant loan application; (y) any other legally required materials or disclosures; and (z) any additional materials reasonably requested by Bank (The foregoing Section 4(d)(ii) shall not be construed to reduce Correspondent's obligations pursuant to Section 3(c)(iv) hereof);
- (iii) Ensure that the Anti-Steering Disclosure has been provided to the prospective borrower no later than three (3) calendar days after the prospective borrower submits an application to Correspondent. (The foregoing Section 4(d)(iii) shall not be construed to reduce Correspondent's obligations pursuant to Section 3(c)(iv) hereof).

- (iv) Submit the Anti-Steering Disclosure to Bank along with the related loan application at the same time the prospective loan is first presented to Bank for registration with Bank pursuant to this Section 4 (The foregoing Section 4(d)(iv) shall not be construed to reduce Correspondent's obligations pursuant to Section 3(c)(iv) hereof).
- (v) Analyze the prospective borrower's income and debt after verifying same and pre-qualifying the prospective borrower to determine the maximum Eligible Loan that the prospective borrower can afford consistent with, in each case, applicable law, regulatory standards, and industry best practices;
- (vi) Educate the prospective borrower in the home buying and financing process, advise the borrower about the different types of loan products available, and demonstrate how closing costs and monthly payments would vary under each product;
- (vii) Collect financial information (e.g., tax returns, bank statements) and other related documents that are part of the application process and verify and review the same for completeness and accuracy, including documents specified in the Guide or otherwise required by Bank;
- (viii) Initiate/order VOEs (verifications of employment) and VODs (verifications of deposits), and verify and review the same for completeness and accuracy;
- (ix) Initiate/order request for mortgage and other loan verifications;
- (x) Initiate/order appraisals from an Appraisal Management Company ("AMC") approved by Bank (it being understood that it is Correspondent's responsibility to consult Bank's list of approved AMCs listed on Bank's website);
- (xi) Initiate/order inspections or engineering reports;
- (xii) Maintain regular contact with prospective borrowers, transaction parties properly authorized by the borrower (e.g., real estate agents), and Bank, between application and closing to apprise them of the status of the application and to gather any additional information as needed;
- (xiii) Order or obtain from borrower diligence information (e.g., entity or trust documents) and other documentation (including, without limitation, satisfying Bank's requests for information).
- (xiv) Provide or order, as applicable title information (i.e., a preliminary report/commitment) that is acceptable to Bank, in Bank's discretion.

## **Section 5. Duties of Bank.**

(a) Underwriting of Eligible Loan Applications. Bank shall be solely responsible for underwriting all Eligible Loan applications provided by Correspondent. Bank shall have no obligation to approve or purchase an Eligible Loan Application that, in Bank's sole discretion does not meet, in each case, its underwriting and compliance requirements. In making its determination, Bank expressly disclaims any inference Correspondent may draw as to the general quality or acceptability of the Eligible Loan Application. Bank retains sole and absolute discretion to reject any Eligible Loan Application that does not comply with the terms and conditions of this Agreement, the Guide, the Bank's underwriting standards, compliance requirements applicable to Bank, or for any reason whatsoever (except as prohibited by law applicable to the Bank), and to set the terms and conditions of any approval of an Eligible Loan Application. Bank shall notify Correspondent of Bank's disposition of an Eligible Loan application as set forth in the Guide. Correspondent further acknowledges and accepts that in many circumstances the Bank may not be able to provide any information beyond that a given loan does not meet the Bank's risk tolerance.

(b) Closing of Eligible Loan Applications. Eligible Loan applications will close in the name of Correspondent. In the absence of any changes occurring or arising after its approval, Correspondent, or its agents, shall promptly proceed to the closing of each approved Eligible Loan application in accordance with the terms and conditions of its approval. Correspondent, or its agents, shall prepare the closing package and close the Eligible Loan application in its name and with its own funds. Unless otherwise agreed, Correspondent, or its agents, shall contact and arrange with borrower and all other necessary parties, each loan closing. Correspondent, or its agents, shall promptly advise Bank as each loan closes and will promptly advise Bank of any issues that may delay a loan closing. Bank shall be responsible for customer service and support with respect to requests for such Eligible Loans after the loan has been purchased.

**Section 6. Compensation.** Bank will convey to the Correspondent, after its final receipt of file, review and approval and funding, final settlement information for the purchase of the closed loan.

**Section 7. Confidentiality and Nonpublic Personal Information.** All capitalized terms used in this Section 7 and not otherwise defined in this Agreement shall have the meaning set forth in the federal "Privacy of Consumer Financial Information" regulation, as amended from time to time (the "Privacy Regulation"), issued pursuant to Section 504 of the Gramm-Leach-Bliley Act (15 U.S.C.6801 et seq.). Both parties acknowledge that the Privacy Regulation governs disclosures of nonpublic personal information about consumers. Each party further acknowledges that it may receive Confidential Information of another party. For purposes of this Agreement, "Confidential Information" includes the terms of this Agreement, any data or information of any accountholder or prospective accountholder that is provided to or obtained by any party in the performance of its obligations under this Agreement or otherwise, including but not limited to (w) "non-public personal information" as defined by the Gramm-Leach-Bliley Act and its implementing regulations, as amended, and any other customer information about which a customer maintains a reasonable expectation of privacy (such non-public personal

information and other customer information collectively referred to as “Accountholder Data”): (x) financial data and budgetary or proprietary business information, income or sales data or projections, customer lists, business operations, policies, procedures and techniques, advertising summary or tracking reports or other reports generated in accordance with this Agreement; (y) proprietary schematics, techniques, concepts, development tools and processes, computer printouts, design drawings and manuals, and improvements; and (z) trade secrets, plans for future development and new product concepts, contemplated products, research, development, strategies, and other information which, from the relevant circumstances, should reasonably be assumed to be confidential and proprietary. Except for Accountholder Data, the term Confidential Information shall not include information that, prior to delivery, was already in the recipient party’s possession prior to the execution of both this Agreement and any processor Agreements between the parties; is or becomes generally available to the public through lawful means, other than as the result of a disclosure by the recipient party or its representatives; becomes available to a recipient party, without confidential or proprietary restriction, from a third party who rightfully possesses the information and the right to release it without confidentiality restrictions; or the recipient party can demonstrate that it was independently developed by such recipient party.

- (a) Use. Except as otherwise provided in this Agreement, each party shall not disclose any Confidential Information of the other party. Each party will not use any Confidential Information of the other party except as necessary to fulfill its obligations or exercise its rights under this Agreement, and only for such purposes and only for the time that it is necessary to do so, except to the extent it is otherwise permitted under this Agreement. Each party shall take commercially reasonable security precautions, at least as great as the precautions it takes to protect its own Confidential Information and as may be required by the laws applicable, respectively, to each party, with respect to the Confidential Information of the other party. Each party shall disclose such Confidential Information only on a need-to-know basis, subject to this Agreement, and only to its subsidiaries, agents or subcontractors who are obligated to treat such Confidential Information in a manner consistent with all the obligations of this Agreement. Correspondent hereby acknowledges the sufficiency of Bank’s internal controls, with respect to Confidential Information, consistent with Bank’s status as a federally-chartered financial institution. Liability to a third party for damages due to disclosure of Confidential Information shall be with the party that disclosed the Confidential Information.
- (b) Required Disclosures. In the event that the recipient of Confidential Information is requested or becomes legally compelled to disclose any Confidential Information of the other party, such recipient party shall provide the disclosing party, except where such notice is prohibited by law (e.g., without limitation, confidential regulatory supervision and examinations of federal banks), prompt written notice of such request(s) to enable the disclosing party to seek a protective order to protect and preserve the confidential nature of the Confidential Information. Each party agrees that it will furnish only that portion of the Confidential Information that is legally required and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to that portion of the Confidential

Information and other information which is being disclosed (it being understood that no such assurances are needed for disclosures made by the Bank as part of confidential supervision or examinations by a federal Regulatory Authority). Each party shall immediately notify the other upon discovery of any loss or unauthorized disclosure of the Confidential Information of the other party.

- (c) Return or Destruction. As requested by the furnishing party during the term of this Agreement, upon expiration or termination of this Agreement, or completion of the obligations of the receiving party, in each case, the receiving party shall (w) return or destroy, as the furnishing party may direct, and in the manner reasonably directed by the furnishing party, all material in any medium that contains, refers to, or relates to the furnishing party's Confidential Information, and (x) retain no copies except one (1) copy solely for compliance with record retention requirements under the respective laws applicable to each party, *provided, however*, that no party shall be obligated to erase Confidential Information contained in an archived computer system backup made in accordance with such party's security and/or disaster recovery procedures, provided that such archived copy will (y) eventually be erased or destroyed in the ordinary course of such party's data processing procedures and (z) will remain fully subject to the obligations of confidentiality stated herein. Notwithstanding any other provision of this Section 7(c), Correspondent hereby acknowledges the sufficiency to the Bank's record retention, return, and destruction policies as a federally-chartered bank and agrees to abide by the Bank's policies with respect to the Bank's duties pursuant to this Section 7(c).
- (d) Misuse. In the event of any actual or suspected misuse, disclosure or loss of, or inability to account for, any Confidential Information of the furnishing party, the receiving party shall: promptly (and in any event within three (3) Business Days) notify the furnishing party upon becoming aware thereof; (ii) furnish to the other Parties the details of the unauthorized possession, use or knowledge, or attempt thereof, and use reasonable efforts to assist the other party in investigating or preventing the reoccurrence of any unauthorized possession, use, or disclosure, or any attempt thereof, of Confidential Information; (iii) take such actions as may be necessary or reasonably requested by the furnishing party to minimize the violation; and (iv) cooperate in all reasonable respects with the furnishing party to minimize the violation and any damage resulting therefrom.
- (e) Information Security: Both parties hereby represent and warrant as follows with respect to any nonpublic personal information released to it by the other party: (i) the receiving party maintains commercially reasonable controls to limit access to the network on which any such nonpublic personal information is stored, through the compliance with and utilization of its information security measures which restrict access, and (ii) the receiving party shall comply with its respective information security measures.
- (f) Use of Nonpublic Personal Information. Both parties hereby agree that they shall: (i) comply with the terms and provisions of the Privacy Regulation, including, without limitation, the provisions regarding the sharing of nonpublic personal information; (ii) not disclose or use

any nonpublic personal information that it obtains from the other party except to carry out the purpose for which such nonpublic personal information was provided, or as otherwise permitted by the Privacy Regulation and other applicable laws; (iii) comply with its respective information security standards; (iv) not make any changes to its security measures that would increase the risk of an unauthorized access.

- (g) Remedies. Both parties agree that money damages would not be a sufficient remedy for any breach of this Section 7 and that, notwithstanding any other provision of this Agreement, the non-breaching party shall be entitled to seek injunctive or other equitable relief, without posting a bond, to remedy or prevent any breach or threatened breach, in each case, of this Section 7. In addition and without limitation to Bank's rights under Section 18(c) hereof, Bank may audit Correspondent, subject to the same terms provided by Section 18(c) hereof, to monitor compliance with or help remediate any breach of this Section 7. The remedies provided by this Section 7(g) shall not be the exclusive remedies for any breach of this Section 7, but shall be in addition to all other rights and remedies available at law or in equity.

### **Section 8. Representations, Warranties and Covenants of Correspondent.**

As an inducement to Bank to enter into this Agreement and to perform its duties hereunder, Correspondent represents and warrants to Bank, as of the date of this Agreement and as of the date each Eligible Loan Application is submitted to Bank, as follows:

(a) Due Organization; Good Standing. Correspondent is duly organized, validly existing and in good standing (in the case of a corporation or limited liability company) under the laws of the state governing its creation and existence, and Correspondent is qualified and in good standing in the states where the mortgaged properties in each Eligible Loan Application are located, if the laws of such states require licensing or qualification in order to conduct business of the type conducted by Correspondent.

(b) Authority and Capacity. Correspondent has full power, authority and capacity to enter into this Agreement, and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action. This Agreement constitutes a valid and legally binding Agreement enforceable against Correspondent in accordance with its terms.

(c) No Conflicts. The execution, delivery and performance of this Agreement by Correspondent, its compliance with the terms hereof and consummation of the transactions contemplated hereby, will not violate, conflict with, result in a breach of, give rise to any right of termination, cancellation or acceleration under, constitute a default under, be prohibited by or require any additional approval under its articles of incorporation or organization, bylaws, partnership or operating agreement, or other applicable organizational documents or any instrument or agreement to which it is a party or by which it is bound, or any applicable federal, state, county, local, or foreign law, or any judicial or administrative decree, order, ruling or regulation, applicable to it.

(d) Compliance with Laws. Correspondent has complied, and shall comply, both in the conduct of its business generally, and in its origination of each Eligible Loan Application, with all applicable laws, including, without limitation, the Equal Credit Opportunity Act and Regulation B, including without limitation its requirements relating to nondiscrimination; the Truth in Lending Act and Regulation Z; the Real Estate Settlement Procedures Act and Regulation X; Gramm-Leach-Bliley Act and any regulations promulgated pursuant thereto; the Fair Credit Reporting Act; and state and municipal laws and regulations governing mortgage lending and mortgage brokerage. Correspondent represents and warrants that it and each member of its staff is properly licensed in all jurisdictions where required for the origination of loans as provided for in this Agreement and agrees to maintain all applicable licenses and approvals in good standing during the term of this Agreement. Correspondent shall maintain, available for Bank's inspection, evidence of compliance with all such requirements.

(e) Notice of Threatening Actions. Correspondent has not been issued, from any government authority, in each case, any administrative order, cease and desist decree or been the subject of any regulatory action, nor is there any reasonable basis for Correspondent to be subject to any of the foregoing. Correspondent shall immediately advise Bank in writing of, in each case, (i) any inquiry or pending or threatening action, by way of a proceeding or otherwise, to revoke or limit any license, permit, authorization or approval issued or granted by any federal, state or local government or quasigovernmental body, or any agency or instrumentality thereof or any similar proceeding against an employee or contractor of Correspondent who is individually licensed; (ii) any action, proceeding or threat of action from any governmental or quasigovernmental authority to impose any penalty or other disciplinary sanction on Correspondent; or (iii) any finding of a governmental authority (including, without limitation a court of record or an administrative agency) that finds Correspondent or its employees, contractors or agents engaged in fraud or an act of moral turpitude in the course of Correspondent's business or violated laws applicable to Correspondent regarding the brokering or origination of mortgage loans. In addition, in the event Correspondent receives any letter, notice, or other writing from any regulatory agency with respect to any Eligible Loan Application registered with Bank, Correspondent shall advise Bank immediately of such notice and deliver a copy of the notice to Bank in no more than ten (10) days after receipt.

(f) Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("SAFE Act"). Correspondent is in full compliance with the SAFE Act and all regulations promulgated pursuant thereto that are applicable to Correspondent, including but not limited to, appropriate licensing and /or registration and background checks of individuals acting as Mortgage Loan Originators ("MLOs").

(g) Litigation. Except as previously disclosed in writing to and acknowledged in writing by Bank, neither Correspondent nor any of its principals or licensed employees, in each case, are party to (i) any litigation as a defendant involving fraud, misrepresentations, violation of any state or federal lending laws or regulatory compliance and (ii) any negative investor or regulatory findings through audits, examinations or mortgage guaranty insurance investigations. In the

event Correspondent or any of its principals or licensed employees becomes a party to any such matter described in this Section 8(g), Correspondent shall advise Bank immediately.

(h) No Untrue or Misleading Statements. No representation, warranty or written statement made by Correspondent to Bank in this Agreement or in any Eligible Loan Application, schedule, exhibit, written statement or document furnished to Bank in connection with the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary to make the statements contained herein or therein not misleading.

(i) Business Information. Correspondent shall furnish Bank and its representatives with any necessary information and data concerning the affairs of Correspondent, as Bank may reasonably request, including without limitation information regarding the status of its licenses, permits, authorizations and approvals necessary for the conduct of its business as well as copies of such documents.

(j) Financial Statements. Correspondent shall furnish to Bank copies of statements of Correspondent's financial condition at Bank's request. Statements of financial condition shall be audited statements if such are obtained in the normal course of business. Correspondent hereby represents and warrants to Bank that such statements fairly present the pertinent results of operations and changes in financial position for each of such periods, and the financial position at the end of each such period of the Correspondent and its subsidiaries. Without limiting Bank's right to request Correspondent's financial statements, at any time, Correspondent is advised that Bank normally requests such statements once a year at the time of Correspondent's annual recertification.

(k) Credit Reports. Correspondent agrees that Bank may obtain (i) business credit reports concerning Correspondent and (ii) unless Correspondent is a publically traded company, personal credit reports concerning those with a material interest in Correspondent ("Material Parties") as determined solely by Bank, if Bank in its sole discretion so elects (it being understood that Bank will rely on the consent of Material Parties for such credit checks). Correspondent represents and warrants that it has obtained its Material Parties' consents for Bank to obtain those personal credit reports for this purpose and that it shall provide evidence of such authorizations to Bank. Without notice to Correspondent or Material Parties, Bank may periodically obtain both business credit reports concerning Correspondent. Correspondent will notify Bank immediately of any proposal to change, in each case, (i) its Material Parties or (ii) control of Correspondent.

(l) Ability to Perform. Correspondent represents that it employs or will employ a sufficient number of knowledgeable, capable and trained individuals to perform the services required by this Agreement.

(m) Certifications in Application. Correspondent's "certifications" made to Bank in Correspondent's Application are true and correct in all material respects and incorporated into this Agreement for reliance by the Bank as if made pursuant to this Section 8.

## **Section 9. Representations, Warranties and Covenants as to Eligible Loan**

**Applications.** As further inducement to Bank to enter into this Agreement and to perform its obligations here under, Correspondent represents, warrants, and covenants to Bank as to each Eligible Loan Application submitted to Bank as follows:

(a) Compliance with Laws. As of the date each Eligible Loan Application is funded by Bank, all of Correspondent's activities in connection with the Eligible Loan Application shall comply with all (i) laws and regulations applicable to Correspondent and Correspondent's business, including, without limitation, federal, state, and municipal laws and, in each case, regulations promulgated thereunder and (ii) the decrees or orders of any court of record, administrative agency, or other government authority (unless such decree or order is stayed by a competent order of such an authority, e.g., an injunction or stay pending appeal).

(b) Compliance with Bank Policies and Guide. The activities of Correspondent with respect to each Eligible Loan Application shall comply in all respects with the Guide and this Agreement. Each registered Eligible Loan Application was originated by Correspondent and not by a third party and that no other party will assert any right to compensation for origination of the Eligible Loan Application. All Mortgage File documents and all Eligible Loan applications, and information and documentation submitted by Correspondent in connection with such applications, have been prepared and/or completed in accordance with applicable law and the Guide, and all information provided by each of borrower and Correspondent in such Mortgage File documents, Eligible Loan applications, or other documents, or provided to any mortgage insurer is true and correct and does not fail to disclose any facts that could be material or which would make such information misleading.

(c) Factual Disclosure. With regard to all Eligible Loan applications submitted to Bank hereunder, all facts relating to any Eligible Loan Application transaction that are known or should be known to Correspondent in the exercise of prudent judgment that may adversely affect: (i) the value of the subject property related to any loan application submitted by Correspondent (each a "Mortgaged Property"); (ii) the credit, character, or capacity of the borrower; (iii) the validity of the mortgage that would secure the loan made pursuant to an application submitted by Correspondent; (iv) or any other aspect of the transaction that has been disclosed in writing to Bank. In submitting any application, Correspondent also represents that the Mortgaged Property has not been damaged by fire, flood, or other causes since the date of performance of the appraisal.

(d) Occupancy. The occupancy of the Mortgaged Property is as represented to Bank by the prospective borrower and/or Correspondent, and the Correspondent has no reason to believe that such representation of the prospective borrower is no longer true.

(e) Mortgage Insurance Payments. No Eligible Loan Application has a mortgage insurance policy that requires the Correspondent or any other party except the mortgagor trustor (or trustor in the case of a deed of trust) to pay premiums on such policy.

(f) Appraisal. (1) The appraisal report, the appraiser, and AMC, in each case, satisfy the requirements of all (i) laws; (ii) regulations; and (iii) "Agency" requirements or guidelines (e.g., Fannie Mae, VA, Ginnie Mae, Freddie Mac, FHA, HUD, Penny Mac, FNMA, FHLMC (each an "Agency")) applicable to a loan secured by the Mortgaged Property, including, without limitation, any applicable requirement of Title XI of the Federal Institutions Reform, Recovery and Enforcement Act of 1989 and the regulations promulgated thereunder, all as in effect on the date the Eligible Loan Application is submitted to Bank (it being understood that the reference to each Agency serves only to identify the Agencies and shall not be construed to suggest that any Agency program or specific loan presented thereunder, in each case, qualifies for loan origination or registration as an Eligible Loan, in each case, pursuant to this Agreement). (2) The appraisal report with respect to the Mortgaged Property was signed prior to the approval of the Eligible Loan Application by a qualified appraiser, duly appointed by Correspondent, who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, whose compensation is not affected by the approval or disapproval of such loan application, and who was independent of the borrower. (3) The appraisal was conducted by an AMC approved by Bank and consistent with applicable provisions of the Guide.

(g) Serviceman's Civil Relief Act. The borrower has not notified the Correspondent and the Correspondent has no knowledge of any relief requested or allowed to the borrower under the Serviceman's Civil Relief Act, as amended.

(h) Predatory Lending. Such Eligible Loan Application is not classified as (a) a "high cost" loan under the Home Ownership and Equity Protection Act of 1994, as amended; (b) a "high cost," "threshold," or "predatory" loan, in each case, under any other applicable state, federal, or local law; or (c) a "flipped" loan or loan that does not provide the borrower with a "net tangible benefit," as maybe defined under any applicable state, federal or local law.

(i) Correspondent Compensation. Unless (x) disclosed to Bank in writing and (y) approved by Bank in writing, in each case, before the funding of any mortgage loan:

- (1) Correspondent shall not receive any direct or indirect payment from any person other than as provided in this Agreement with respect to the mortgage loan, including, without limitation, any payment involving escrow, appraisal or sale.
- (2) Correspondent's agents, employees, officers, shareholders, members, directors, or similar persons controlling Correspondent, in each case, shall not have any direct or indirect ownership in any property intended as security for the mortgage loan being reviewed by Bank for purposes of purchase.

**Section 10. Responsibility for Fraud or Negligence.** Correspondent shall not submit any Eligible Loan Application or other document to Bank or any other party to a transaction involving Bank, in each case, that contains false or misrepresented information or fails to disclose material facts necessary to make the statements contained therein not misleading. Correspondent shall be responsible for all actions taken in the course of its performance of its obligations under this Agreement, whether performed by Correspondent, its

employees, agents, or licensees. Correspondent accepts that Bank disclaims any duty to investigate, verify, authenticate or confirm any information contained in any Eligible Loan Application or other document submitted by Correspondence. The parties have agreed to the allocation of duties, risk, and responsibilities set forth herein, and Bank shall at all times be entitled to rely on Correspondent's full, complete and faithful performance of its duties and responsibilities hereunder.

## **Section 11. Purchase and Loss Reimbursement.**

(a) Events of Purchase/Repurchase. Correspondent shall in the case of Eligible Loans purchased by Bank, purchase or repurchase any Eligible Loan subject to this Agreement, in each of the following instances: (i) a borrower fails to make its first payment due to Bank on such Eligible Loan within 30 days of such payments due date, provided, however, that such failure is not attributable to a servicing error by Bank; (ii) a borrower fails to make any of the first four payments due to Bank on such Eligible Loan within 30 days of such payment being due; (iii) a borrower fails to make any payments due to Bank on such Eligible Loan within 60 days of such payment being due within the first 365 days of Bank's purchase of the Loan; or (iv) a material breach by Correspondent, that adversely affects the value of such Eligible Loan, of any covenant, condition, term, obligation, representation or warranty related to such Eligible Loan contained in this Agreement or the Guide, or in such Eligible Loan Application, any other document, or in any written statement or certificate furnished by Correspondent, in each case, pursuant to this Agreement or the Guide, including, without limitation, those arising from Correspondent's fraud or negligence in the origination or processing of such Eligible Loan Application.

(b) Purchase/Repurchase. Bank shall send notice to Correspondent of any demand for purchase or repurchase within one hundred and twenty (120) days of the discovery of any event causing such demand for purchase or repurchase. Correspondent shall have thirty (30) days from date of receipt of such notice from Bank to cure any material breach in all respects (as determined in Bank's sole judgment). If such breach is not cured in Bank's sole judgment, the purchase shall be affected within ten (10) business days of receipt of written demand by Bank. The purchase or repurchase price shall be the sum of (i) the outstanding principal balance owing on the date of purchase; (ii) all fees paid by Bank in relation to the loan; (iii) any compensation paid by Bank to Correspondent; (iv) any advances made by Bank for taxes, insurance, foreclosure expense or any other related expense; and (v) interest that has accrued but not been paid up to and including the date the purchase or repurchase funds are received by Bank. At the time of purchase or repurchase, Bank will arrange for the reassignment of the purchased or repurchased Eligible Loan to Correspondent, and Correspondent shall pay all Bank's incidental expenses associated with the assignment of the Eligible Loan to Correspondent.

(c) Loss and Expense Reimbursement. Notwithstanding the foregoing, and in lieu of requiring repurchase, Bank may, at its sole discretion, permit Correspondent to reimburse Bank for any loss and/or expenses incurred by Bank as a consequence of the occurrence of an event requiring repurchase. The determination by Bank of the nature and amount of such losses and/or expenses shall be final, conclusive and binding. Correspondent shall remit to Bank the funds

necessary to satisfy its obligations hereunder within ten (10) business days from demand of such funds by Bank.

## **Section 12. Indemnification.**

(a) Non-Waiver of Remedies. Nothing contained in this Section 12 shall limit Bank's rights to any remedy, legal or equitable, all such legal and equitable remedies, including those provided for herein, being in addition to and not in lieu of any other remedy.

(b) Correspondent Indemnification. Correspondent shall indemnify, defend and hold Bank and its officers, directors, employees, agents, parent, affiliates, and subsidiaries harmless against and in respect of, and shall reimburse Bank for any and all losses, liabilities, claims, damages, costs including without limitation attorneys' fees and costs, and actions suffered or incurred by Bank that arise or result from or relate to, in each case: (a) a material breach by Correspondent of any covenant, condition, term, obligation, representation or warranty contained (i) in this Agreement or the Guide, or (ii) in any Eligible Loan Application or other document or in any written statement or certificate furnished by Correspondent pursuant to this Agreement or the Guide, including, without limitation, those arising from Correspondent's fraud or negligence in the origination or processing or funding of Eligible Loan applications, or (b) any material act or omission of Correspondent or any employee or agent of Correspondent that adversely affects any Eligible Loan Application registered with and purchased by Bank hereunder. In all actions with third parties in which Bank has the right to be indemnified hereunder, Bank shall have the complete and exclusive right to determine the conduct and defense of such legal proceeding or investigation with such third party including, without limitation, the right to compromise, settle, defend or continue any such action.

## **Section 13. Premium Rebate.**

(a) Full Repayment. If a premium is paid by Bank to Correspondent for an Eligible Loan, and such Eligible Loan is prepaid in full within one hundred and eighty (180) days after the closing date other than by a refinancing by Bank, or any of its subsidiaries or affiliates, or a financing by Correspondent that is funded by Bank, Correspondent shall, upon demand by Bank, refund such premium to Bank. Such payments shall be due to Bank within thirty (30) days following notice from Bank.

b) Partial Repayment. If a premium is paid by Bank to Correspondent for an Eligible Loan, and such Eligible Loan is prepaid in any amount which, in the aggregate, exceeds twenty percent (20%) of the original principal balance of the loan, within one hundred and eighty (180) days after the closing date, Correspondent shall, upon demand by Bank, refund to Bank a pro-rated portion of the premium paid by Bank to the Correspondent for such Eligible Loan. The payment shall be calculated by dividing the aggregate prepayment amount by the original principal balance of the loan and multiplying the result by the original premium amount. Such payments shall be due to Bank within thirty (30) days following notice from Bank.

**Section 14. Right of Setoff.** Bank and its successors and assigns shall be entitled to set off against any amount to be paid by it to the Correspondent under this Agreement for such amounts as may be due from the Correspondent under this Agreement. Bank shall provide written notice to Correspondent, ten (10) days prior to any setoff action.

**Section 15. Term; Termination.**

(a) Term. The term of this Agreement shall commence as of the date hereof and shall extend until the termination of this Agreement pursuant to this Section 15.

(b) Termination without Cause. This Agreement may be terminated without cause by either Bank or Correspondent upon thirty (30) days' written notice to the other party. Such termination shall not in any respect change or modify the obligations of the parties with respect to, in each case: (i) loan applications that have been properly registered or purchased with Bank pursuant to Section 4 hereof prior to the effective date of the termination notice; (ii) either party's obligations under this Agreement accruing prior to the date of termination; and (iii) obligations that survive termination of this Agreement pursuant to Section 15(d) hereof. With respect to determining the loans that have been properly registered pursuant to Section 15(b)(i) hereof, Bank's determination as to which loans are properly registered shall be conclusive and binding upon the parties.

(c) Termination for Cause. Notwithstanding anything to the contrary herein, Bank may terminate this Agreement immediately, upon written notice to Correspondent, in each case, (i) if Bank determines or reasonably suspects that fraud has occurred in the origination of any Eligible Loan Application, or (ii) if Correspondent fails to perform any of its obligations under this Agreement, or (iii) if any law or regulation applicable to Bank makes it unlawful for Bank and Correspondent to do business in accordance with the terms of this Agreement. If the Agreement is terminated by Bank under this paragraph, Bank shall have no monetary or other obligation to Correspondent after the date notice is given, irrespective of whether the Bank funds an Eligible Loan Application that has been registered with Bank.

(d) Survival. The following Sections hereof shall survive termination of this Agreement: 2; 7-15 (inclusive); 16(b); and 18.

**Section 16. No Solicitation.**

(a) Mortgage Loans: Subject to the provisions set forth in this Section 16, from and after the date hereof, neither Correspondent, nor any of its subsidiaries or affiliates, may solicit, by means of direct mail, telephonic, email or personal solicitation, the borrowers under any Eligible Loan for purposes of prepayment of such Eligible Loan. Solicitations undertaken by Correspondent or any affiliate of Correspondent that are directed to the general public at large (as opposed to directed specifically at the borrowers under any Eligible Loans), including without limitation mass mailings based on commercially acquired mailing lists, the internet and newspaper, radio and television advertisements, shall not constitute solicitations under this Section 16.

(b) Employees: As a result of this Agreement, Correspondent will have the opportunity to work closely with Bank's employees and develop working relationships with them for the sole purpose of furthering performance under this Agreement. Correspondent agrees that (i) during the term of this Agreement and (ii) for a period of one year after the termination of this Agreement, Correspondent shall not, directly or indirectly, solicit to hire, or hire, any employee of Bank. The foregoing prohibition shall not apply to general solicitations or advertisements not targeted specifically to employees of Bank or other employment or business arrangements resulting therefrom.

### **Section 17. Assignment; Complaints; Relationship between the Parties; and Annual Correspondent Certification.**

(a) Assignment. Correspondent shall not assign this Agreement without the prior written consent of Bank, signed by an officer of Bank holding a title of Executive Vice President or more senior. Bank's consent may be withheld by Bank at its sole discretion, and consent to one assignment shall not waive Bank's right to require consent to future assignments. As used in this Section 17(a), "assign" and "assignment" include, in each case: (i) assignment by operation of law; (ii) a delegation of duties hereunder; (iii) a change in ownership, legal entity, merger, or consolidation, irrespective of whether it results in a beneficial change of ownership in Correspondent; (iv) any direct or indirect change of control of Correspondent, including, without limitation, (x) through direct or indirect transfer of ownership interest(s), (y) a transaction or series of transactions that transfer of control of Correspondent or decision-making authority by contract, and (z) any asset or portfolio sale of all or substantially all of Correspondent's assets; and (v) any other direct or indirect transfer prohibited by similar in effect to the preceding examples in this sentence. Any assignment made contrary to this Section 17(a) shall be null and void ab initio.

(b) Customer Complaints. Correspondent shall ensure that all customer complaints received relating to Correspondent's communication and dealings related to this Agreement with borrowers and prospective borrowers (collectively, "Customer Complaints") are forwarded to Bank within ten (10) days following receipt thereof. If a Customer Complaint (i) is received electronically, such customer complaint shall be forwarded to Bank using the **ComplianceTeam@axosbank.com** e-mail address, or (ii) is received by mail, Correspondent shall mail a true, correct, and complete copy of such complaint to Axos Bank, 4350 La Jolla Village Drive, Ste. 140, San Diego, CA 92122, Attn: Compliance Team. Correspondent's failure to adhere to the provisions of this Section 17(b) shall be a material breach of this Agreement, and Correspondent shall indemnify, defend, and hold Bank, its officers, employees, directors, affiliates, and parent harmless regarding any breach of this Section 17(b). Complaints based on loans that do not close solely due to a prospective borrower's inability or unwillingness to accept or satisfy either (i) Bank's underwriting requirements; (ii) the terms of the loan or (iii) any Agency requirement applicable to the transaction, in each case, shall not be deemed a Customer Complaint pursuant to this Section 17(b).

(c) Relationship of Parties. Neither party is the partner, agent, employee or representative of the other, and nothing in this Agreement may be construed or deemed to create a partnership, joint venture, agency or employment relationship between Bank and Correspondent. Correspondent shall conduct business in its own name and not in Bank's name. Correspondent shall not represent that its office is an office, branch or agency of Bank or in any other way connected with Bank. Correspondent shall have no authority to sign any documents on behalf of Bank, or to bind or obligate Bank in any manner whatsoever. Correspondent shall be responsible for its overhead and operations costs, payroll costs and all other costs incurred in connection with its operations. Correspondent acknowledges that it has incurred and will continue to incur such costs voluntarily, with the understanding that this Agreement may be terminated in accordance with Section 15 hereof and accordingly. Correspondent has no right to seek reimbursement or recoupment from or against Bank with respect to any sums it has expended in contemplation hereof.

(d) Annual Certification. As requested by Bank, Correspondent shall participate in and cooperate in good faith with Bank's annual recertification process, including, without limitation: (i) submitting, in a timely manner at Bank's request, business and other materials to Bank pertaining to not only to this Agreement but also to Correspondent's general business (it being understood that Bank may be required to verify such materials as part of Bank's compliance obligation); (ii) executing and delivering certifications, affirmations, representations, warranties, and ratifications of this Agreement, the Guide, matters addressed by Correspondent's representations and warranties under this Agreement (including, without limitation its certifications in its application to Bank), and similar matters.

## **Section 18. General Terms.**

(a) Correspondent Grant of Limited Power of Attorney. Correspondent hereby appoints Bank and the directors, officers, employees, agents, successors and assigns of Bank as its true and lawful attorney-in-fact without right of revocation and with full power of substitution for and in its place and stead to: (i) demand and control all sums due on Eligible Loans closed and funded pursuant to this Agreement and to enforce all rights with respect thereto, (ii) endorse, mark, place, or otherwise evidence Correspondent's name as payee on all checks, drafts, acceptances, or other form of partial or full Eligible Loan payment delivered or tendered to Bank, (iii) endorse, mark, place or otherwise evidence Correspondent's name on all notes, mortgages, deed of trust, and other forms of security instruments of collateral and all assignments, full of partial releases or satisfactions of said mortgages, deeds of trust, and other forms of security instruments or collateral for all Eligible Loans closed and funded pursuant to this Agreement. Correspondent agrees to execute such other documents as Bank may reasonably request to evidence the appointment of Bank as Correspondent's attorney-in-fact and agrees that this appointment is coupled with an interest of the Bank in receiving payment to which it is entitled under this Agreement.

(b) Notices. Any notice to any party to be provided under this Agreement, unless otherwise specifically indicated, shall be in writing and sent by (x) U.S. Certified Mail, return receipt requested, postage paid or (y) a national overnight delivery service, such as Federal

Express or UPS, addressed to the party to be served notice at the address listed below for such party and shall be deemed effectively delivered upon (a) personal delivery, (b) one day after deposit for overnight delivery with Federal Express or a comparable national overnight delivery service, or (c) three days after deposit in the United States mail, by first-class mail, postage prepaid. A party may designate another address for notice purposes upon written notice thereof to the other party pursuant to the provisions of this paragraph. The initial addresses for notice hereunder are:

If to Correspondent: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Bank:

Axos Bank  
4350 La Jolla Village Drive, Suite 140  
San Diego, CA 92122  
Attn: National Wholesale Manager

with a copy to:

Axos Bank  
4350 La Jolla Village Drive, Suite 140  
San Diego, CA 92122  
Attn: Chief Legal Officer

(c) Books and Records. Correspondent shall prepare and maintain documents related to loan applications in accordance with this Agreement, the Guide, and applicable Agency guidelines. Correspondent and Bank shall keep and maintain a complete and accurate account, satisfactory to Bank, of all funds collected and paid relating to the Eligible Loan applications. Correspondent shall give Bank, its employees, its representatives, and its regulators, including, without limitation, internal and external auditors, quality control auditors, attorneys, bank examiners and regulatory agency examiners, upon reasonable advance notice and during normal business hours, access to audit and inspect Correspondent's files, books, records, reports, statistics, and other documents of Correspondent relating to its obligations under this Agreement and the Guide. In addition, Correspondent shall cooperate with Bank, its auditors and/or regulators in any audit of Bank and in any regulatory examination of Bank. Correspondent shall advise the Bank, in writing, as soon as possible but in no case later than forty-eight (48) hours after receipt, of any subpoena or other similar government or government-sanctioned request for information relating to this Agreement.

(d) Permitted Successors and Assigns. This Agreement shall be binding and inure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns

(e) Entire Agreement. This Agreement, the Guide (as the Guide is from time-to-time amended by Bank), contain the entire Agreement between the parties and supersedes all prior and contemporaneous agreements and understandings between the parties. In the event of any conflict between the terms, conditions, and provisions of this Agreement, the Guide, or any document related to this Agreement, the terms, conditions and provisions of this Agreement shall prevail. Nothing in this Section 18(e) limits the enforceability upon Correspondent of, in each case, (x) specific materials published by Bank to Correspondent, such as the Quarterly Comp. Plan Schedule, rate sheets, lock-in sheets, and similar materials published by Bank pursuant to, in each case, this Agreement and the Guide and (y) the Officer's Certificate attached to this Agreement or any similar certification or document executed by Correspondent pursuant Section 18(o) hereof.

(f) Amendment and Waiver. Except as provided in Section 1 hereof concerning the Guide, this Agreement may be amended from time to time by Correspondent and Bank solely by written agreement signed by Correspondent and Bank, and in the case of Bank, executed by an officer of Bank holding the title of Executive Vice President or more senior. The waiver of any right or remedy in respect of any one occasion shall not be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.

(g) Modification of Obligations. Bank may, without any notice to Correspondent, extend, compromise, renew, release, modify, adjust or alter, by operation of law or otherwise, any of the obligations of a borrower or other persons obligated under an Eligible Loan without releasing or otherwise affecting the obligations of Correspondent with respect to such Eligible Loan or otherwise under this Agreement.

(h) Severability and Survival of Provisions. If any one or more of the covenants, agreements, provisions, or terms of this Agreement is held invalid for any reason whatsoever, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other covenants, agreements, provisions, or terms of this Agreement or the rights of Bank hereunder. If the invalidity of any part, provision, representation, or warranty of this Agreement deprives any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate in good faith to develop and structure the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity.

(i) Execution and Counterparts. This Agreement may be executed and then delivered by facsimile transmission, electronic transmission of executed PDFs, or physical delivery of copies hereof, using one or more counterparts, each of which shall be an original but all of which taken together shall constitute one and the same Agreement. This Agreement shall not constitute a contract or other binding obligation unless and until it is executed by all parties, and the text of

Agreement shall not constitute an offer that can be accepted unless and until all parties have executed this Agreement in writing by signing below.

(j) Governing Law. This Agreement shall be governed by, construed and interpreted in accordance with the laws internal to the State of New York.

(k) Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.

(l) Attorneys' Fees. If a dispute arising from or concerning this Agreement results in litigation or arbitration between the parties, the prevailing party to such litigation shall be entitled to recover from the other party all attorneys' fees and all costs and expenses in bringing or defending such action.

(m) Arbitration; Bank as party; and **WAIVER OF JURY TRIAL.** Except for seeking injunctive relief pursuant to Section 7(g) hereof, any controversy or claim arising from or relating to (i) this Agreement or (ii) the relationship and interactions between the parties, whether or not this Agreement is germane to the dispute (including, without limitation any allegations of tortious conduct), shall be exclusively resolved by confidential binding arbitration in San Diego County, California. The Parties agree that any arbitration between the Parties shall be conducted before one neutral arbitrator (the "Arbitrator") selected by the Parties. The Arbitrator shall be a retired judge or a similarly qualified individual with experience adjudicating employment law matters on the JAMS panel to whom the Parties mutually agree. Arbitrators shall be subject to disqualification on the same grounds as would apply to a judge of the California Superior Court. Arbitrators shall have the immunity of judicial officers from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with the arbitration proceedings are privileged in accordance with Cal. Civil Code Sections 47(b). The Parties agree to bring actions or claims only in their own names and not on behalf of others or as part of a concerted litigation strategy with others. Correspondent shall only have recourse against Axos Bank, a federal savings bank, and, as a specific bargained for element of this Agreement and allocation of risk between the parties, Correspondent hereby waives any right to pursue an action or recover from, in each case, (i) Axos Financial, Inc., (ii) any other subsidiary or affiliate of the Bank, and (iii) officers, directors, and employees of the Bank, Axos Financial, Inc., and their subsidiaries and affiliates. The provisions of this Section 18(n) may be enforced by the Arbitrator or any court having jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees, and expenses, including, without limitation, attorneys' fees, to be paid by the party against whom enforcement is ordered. The Parties expressly and irrevocably waive the right to a jury trial regarding disputes related to this Agreement or any other claim covered by this Section 18(m).

(n) Consent to Jurisdiction. The Parties agree that any action shall be brought in a federal court or state court located in the State of California, and the parties hereby waive any objections to summons, service of process, jurisdiction over the person or subject matter, or the venue of the courts listed above. Without limiting the generality of the foregoing, the Parties specifically and irrevocably consent to the jurisdiction and venue of the state and federal courts sitting in San Diego County, California. For the avoidance of doubt this Section 18(n) shall not be construed contrary to the Parties' arbitration obligations provided in Section 18(m) hereof.

(o) Authorized Representatives. Bank shall be entitled to rely, without investigation, that any person holding themselves out to be a representative of Correspondent for purposes of signing this Agreement or other document delivered in connection with this Agreement or taking other action pursuant to the Agreement, including but not limited to oral discussions held in the course of business with the Bank pursuant to this Agreement after its execution, was, at the respective time of such signing or actions, a duly elected or appointed, qualified and authorized representative of Correspondent, and the execution or delivery of the Agreement or any document pursuant to the Agreement and the taking of any other action, including but not limited to such oral discussion previously described in this Section 18(o), shall be conclusive evidence of such authorization. Correspondent shall deliver to Bank, attached to this Agreement, an Officer's Certificate in furtherance of this Section 18(o), but nothing contained in the attached Officer's Certificate shall limit the application of or reduce Correspondent's obligations under this Section 18(o).

[Signature page follows.]

IN WITNESS WHEREOF, Correspondent and Axos Bank have executed this Agreement by causing their names to be signed hereto by their respective officers hereunto duly authorized as of the day and year first above written.

**CORRESPONDENT**

**Axos Bank**

By:

By:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_



## OFFICERS' CERTIFICATE

**Axos Bank**  
**4350 La Jolla Village Drive, Suite 140**  
**San Diego, CA 92122**  
**Phone: 888-833-0555**  
**Email: [clientrelations@axosbank.com](mailto:clientrelations@axosbank.com)**

## OFFICERS' CERTIFICATE

\_\_\_\_\_, 201\_

I, \_\_\_\_\_, hereby certify to Axos Bank, that I am  
duly appointed \_\_\_\_\_

of \_\_\_\_\_ ("Correspondent"), and intending that  
Axos Bank rely on these certifications, I certify:

1. Correspondent is hereby authorized to originate and sell Eligible Loans to Axos Bank pursuant to the terms of the CORRESPONDENT AGREEMENT by and between Axos Bank and Correspondent (the "Agreement"), as set forth in the Agreement;
2. The president, any vice president, any assistant vice president, secretary or assistant secretary of the Correspondent, in each case, are hereby authorized in the name of on behalf of the Correspondent to enter into, execute, deliver and perform on behalf of Correspondent under the Agreement, binding Correspondent through their respective acts;
3. The execution of the Agreement shall be conclusive evidence that the president, any vice president, any assistant vice president, secretary or assistant secretary of the Correspondent, in each case, are authorized to execute and deliver such further certificates, documents, instruments and agreements or take such other actions as are reasonably, necessary, or incidental to carrying out the foregoing obligations and those under the Agreement;
4. Each of the following persons who as an officer or other authorized representative of the Correspondent, signed the Agreement and any other document delivered in connection with the Agreement, was, at the time of such signing and delivery, and is now duly elected or appointed, qualified, to the position held and acting in such position on behalf of Correspondent, and the signature of such person, as set forth below opposite his or her name, is his or her genuine signature.

Each person described in Section 18 (o) of the Agreement, including, but not limited to, the following persons, are the authorized representatives of the Correspondent:

**Please fill out and sign:**

<u>Name</u>	<u>Title</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**\*Any person signing Agreement or Application must appear in section.**

5. Capitalized terms used herein and not otherwise defined are, unless the context otherwise requires, used as defined in the Agreement.

[Signature page follows]

In WITNESS WHEREOF, the undersigned has caused this certificate to be executed as a duly authorized signatory of Correspondent, for reliance by Axos Bank, as of the day and year first above written.

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Request for Taxpayer  
Identification Number and Certification**

Give form to the  
requester. Do not  
send to the IRS.

**Print or type**  
**See Specific Instructions on page 2.**

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box:  Individual/Sole proprietor  Corporation  Partnership  
 Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ .....  Exempt payee  
 Other (see instructions) ▶

Address (number, street, and apt. or suite no.) Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
OR
Employer identification number

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,