

BROKER POLICY OVERVIEW

Thank you for your interest in becoming a broker with FlexPoint Inc. The intent of the FlexPoint Inc Broker Approval Policy is to retain only the strongest and most reputable Brokers to deliver loans. Broker relationships are defined as mortgage loan brokers who originate and process loans that are submitted for loan approval and funding in FlexPoint Inc.'s name. A complete application and approval of the Broker is required prior to loan applications being registered.

APPROVAL CRITERIA

The Broker must meet criteria as follows.

- ❖ Be properly licensed and authorized to originate and broker loans meeting FlexPoint Inc's product and underwriting requirements.
- ❖ Have been in business for at least two years. In cases of newer firms, principals should have a minimum of five years' experience in mortgage lending.
- ❖ Have a good reputation in the industry with proven references, and a high level of professionalism and strong ethical standards.
- ❖ Have a minimum net worth of \$25,000.
- ❖ Have a "good standing" rating with all governmental licensing and revenue collection agencies, including a public record clear of any civil or criminal judgments. A Broker whose firm has been suspended, is currently under investigation by any governmental agencies or has an open judgment in excess of \$5,000 will not be approved and will not be renewed to do business with FlexPoint Inc.
- ❖ All principal officers, owners and/or partners and the broker of record must have an acceptable personal credit profile. In the case of corporations, the entity must have a satisfactory corporate report. Past credit difficulties will be reviewed on a case-by-case basis. A letter from the Broker explaining the derogatory item(s) is required.

APPLICATION CHECKLIST

Our Client Administration department is responsible for reviewing and approving the Broker application. Documentation needed to support the Broker approval may vary, but the items listed below are required from applicants. Please use this checklist to ensure the application is complete and to expedite processing. A complete application and approval of the Broker is required prior to loan applications being accepted for registration. Please return the completed application package to your Account Executive for submission. We will generally provide a response to your complete application within five (5) business days of receipt from your Account Executive.

- ☐ Completed and signed **Broker Application**
- ☐ A completed signed **Broker Agreement**
- ☐ A completed signed **Broker Compensation Agreement**
- ☐ A signed **Compliance Attestation** form
- ☐ A completed **W-9** form.
- ☐ Last year's financials, including most recent Balance Sheet and P&L (both dated within 90 days) or minimum \$25,000 net worth.
- ☐ Resume of Broker and Principal Officer
- ☐ Articles of Incorporation for Corporation or Organization for LLC (if applicable)
- ☐ Anti Money Laundering Policies and Procedures
- ☐ Broker Internal Written Quality Control Policies and Procedures

If you have any further questions about documentation or the processing of your application, please be sure to contact your Account Executive.

FlexPoint Inc is committed to treating all customers fairly and equally. We strive to ensure FlexPoint Inc does not discriminate in any part of lending transactions based on the following:

- Race,
- Color,
- Religion,
- National Origin,
- Sex,
- Marital Status,
- Familial Status,
- Military Status,
- Sexual Orientation,
- Age, provided the applicant has the capacity and is of an age meeting the underwriting requirements for age,
- Disability,
- Receipt of public assistance income, whether a person has exercised any right under the Consumer Protection Act (this includes the Truth in Lending Act), or
- Any other basis prohibited by law

FlexPoint Inc's management and employees are committed to the practices of fair lending. It is FlexPoint Inc's policy to make credit products available to all applicants who meet our business focus in a fair and consistent manner within the confines of a safe and sound business practices.

The following is FlexPoint Inc's Fair Lending Policy statement:

- FlexPoint Inc is fully committed to the principle all credit decisions should be made without regard to the items listed above and will fulfill this commitment while maintaining prudent credit discipline and sound business practices.
- FlexPoint Inc recognizes affirmative steps must be taken to ensure that this principle is applied consistently and continuously throughout all aspects of our credit operation, including product design, sales and marketing, underwriting, training, performance evaluation, and servicing practices.
- Everyone at FlexPoint Inc involved in the credit process must strictly comply with fair lending requirements.
- FlexPoint Inc monitors the operation and achievements on a regular basis to ensure procedures are followed and FlexPoint Inc's objectives are met. FlexPoint Inc will continue to make changes in our operation as we identify ways to more effectively meet our commitment to fair lending.
- FlexPoint Inc requires loan terms, rates and fees to be consistent with applicant qualification, the applicant has the ability to repay the obligation and the applicant receives a tangible benefit from the loan transaction.

BROKER APPLICATION

FlexPoint AE: _____

COMPANY INFORMATION

Company Name / DBA: _____

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

Company NMLS ID: _____ Company Phone: _____ Company Website: _____

Business Entity: ☐ Individual ☐ Corporation ☐ Bank Charter ☐ Partnership ☐ Sole Proprietorship ☐ LLC

If a corporation or Limited Liability Company, is the applicant a subsidiary of or controlled by another entity. ☐ Yes ☐ No

If yes, indicate name of other entity: _____ (include an organization chart, if necessary)

State of Incorporation or Organization: _____ Date Formed: _____ Business Tax ID: _____

Primary Contact: _____ Contact e-mail: _____ Contact Phone: _____

OWNERSHIP / MANAGEMENT (Attach Sheet If Necessary)

First Name	Last Name	NMLS #	Title	%Owner	Contact e-mail	SSN ¹

MORTGAGE LOAN ORIGINATOR / BROKER OF RECORD

First Name	Last Name	NMLS #	Title	Contact e-mail	SSN

AFFILIATED BUSINESS RELATIONSHIPS

FlexPoint Inc generally does not permit Real Estate Related Fees to be paid to affiliates of mortgage brokerage companies at or before settlement. If your company has an affiliated business arrangement with another company, you are required to disclose that relationship below. FlexPoint Inc must provide written approval prior to using any entity disclosed below. Failure to disclose affiliated businesses is a breach of the Broker Agreement.

Please provide the below information on any affiliated service provider:

Services Provided		Name of Company	% Owned	% Of Loans Using Services
<input type="checkbox"/>	Appraisal Services			
<input type="checkbox"/>	Appraisal Management			
<input type="checkbox"/>	Escrow Services			
<input type="checkbox"/>	Real Estate Brokerage			
<input type="checkbox"/>	Warehouse Lending / Loan Financing			
<input type="checkbox"/>	Title Services			
Name of Company Underwriting Title Policies:				

¹ Social Security Numbers will be used only to confirm identity in our background checks. Personal credit reports will not be obtained and are not deemed to be authorized by Broker's application.

DISCLOSURES

- 1) Within the last three (3) years, has the Applicant, its owners, its broker(s) of record or any of its employees (i) had any formal complaints filed against them with a federal or state mortgage banking/broker regulatory authority, (ii) been found in violation of any mortgage banking/broker federal or state regulatory authority's statutes or regulations, (iii) had an order entered against them by a federal or state mortgage banking/broker regulatory authority or (iv) been denied, suspended or had a registration or license revoked by a federal or state mortgage banking/broker regulatory authority?
- ☐ Yes ☐ No
- 2) Has your company ever had unfavorable findings with regard to brokerage or mortgage operations or servicing activities included in any audit, examination or report by any regulatory, supervisory or investigating agency?
- ☐ Yes ☐ No
- 3) Has any owner, partner, officer, director, employee or loan officer been affiliated with any company/business that was suspended by FHA, VA, Fannie Mae, or Freddie Mac and/or subject to any voluntary or involuntary bankruptcy proceedings?
- ☐ Yes ☐ No
- 4) Has the Applicant ever been suspended from brokering loans to another lender or had its approval status revoked by another lender?
- ☐ Yes ☐ No
- 5) Has any owner, partner, officer, director, employee or loan officer of your company ever been found guilty of a felonious criminal offense?
- ☐ Yes ☐ No
- 6) Is there is any pending litigation involving the company or any of its owners, partners, shareholders, directors, officers, employees or loan officers?

If you answered "Yes" to any questions 1-6, please explain (attach additional sheets if necessary):

- 7) Does Applicant have a due diligence process in place to ensure compliance with "high-cost" and "predatory lending" statutes for all applicable federal, state and if necessary, local laws?
- ☐ Yes ☐ No

If you answered "Yes" to question 7, please select any of the following that apply (at least one):

- ☐ Have a QC Plan or Fraud Prevention Policy in place ☐ Use a 3rd Party review or Compliance Software System ☐ Other (explain below).

If you answered "No" to question 7, please select any of the following:

- ☐ Do not participate in high-cost loans or sub-prime loans ☐ Compliant to all SAFE act requirements ☐ Other (explain below)

- 8) Has the company adopted a policy for verifying potential employees against the following industry exclusionary lists: GSA Excluded Parties List, HUD Limited Denial Participation (LDP) List, Federal Housing Finance Agency (FHFA) Suspended Counterparty List (SCP) and state specific debarment lists (e.g., CA, GA):
- ☐ Yes ☐ No

If you answered "No" to question 8, please provide explanation for lack of process and/or steps taken to remediate.

AUTHORIZATION

I hereby authorize FlexPoint Inc to conduct a background check regarding any of the information provided on this application. In connection with this authorization, I hereby certify that I have obtained all required consents and approvals of all individuals listed on this application to authorize FlexPoint Inc and its affiliates to conduct such background checks on such individuals. Applicant acknowledges that such reports and information will be obtained and used only in connection with FlexPoint's approval of Applicant and evaluation of Applicant's eligibility to do business with FlexPoint Inc and not for any other purpose.

Applicant certifies to its best belief and knowledge that the information provided herein is true and correct.

FlexPoint Inc and its affiliates agree that any financial information provided by the Applicant will be treated as confidential and will not be released to any third party.

Broker of Record Signature

Date

Majority Owner / Officer Signature

Date

Typed Name/Title

Typed Name/Title

Firm Name