

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

BROKER AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of this ____ day _____ of 20____, by and between FlexPoint Inc., a California corporation company ("Lender"), having its principal office at 250 Baker St, Suite 200, Costa Mesa, CA 92626, and _____ ("Broker") having its principal office at _____.

RECITALS

Lender is in the business of, among other things, originating, purchasing, and selling residential (consumer purpose) and commercial (business purpose) mortgage loans secured by a first or subordinate lien on real property;

Broker is in the business of, among other things, aiding and assisting applicants in obtaining residential and commercial first and second mortgage loan financing from lenders; and

The parties to this Agreement wish to establish a non-exclusive relationship whereby Broker will perform origination services and submit loan application packages ("Applications") for first and second lien 1-4 family residential and/or commercial mortgage financing on behalf of Broker's customers ("Applicants") to Lender for loan approval determination and possible funding by Lender, and upon such terms and conditions as set forth in this Agreement and in Lender's product guidelines, rate sheets, bulletins, advisories, and other written materials, as amended from time to time.

THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. ELIGIBLE LOANS; PRICING

1.1. MORTGAGE LOAN PROGRAMS. Lender shall from time to time distribute to Broker information with respect to the types of mortgage loan programs it is offering ("Loan Programs") along with the methods by which Applications for such Loan Programs may be transmitted. Lender will accept only those Applications eligible for the Loan Programs offered by Lender. Broker will be entitled to have Applications processed only upon submission to Lender of such additional information and documents as required by Lender. Broker acknowledges that Lender reserves the right to alter, add, or delete Loan Programs from time to time, and Broker accepts responsibility for knowing which Loan Programs are offered by Lender at any given time. Broker shall be responsible for assuring that each Application submitted complies with all the terms and conditions of the applicable Loan Program at the time Broker submits the Application to the Lender.

1.2. MORTGAGE LOAN PRICING. Lender shall issue to Broker, on a periodic basis, pricing information ("Pricing Sheet") applicable to Loan Programs it offers. Each Pricing Sheet is subject to change without notice. Broker shall comply with the guidelines contained in the Pricing Sheet concerning documentation, interest rates and lock-ins, which apply to the particular Loan Program offered by Lender.

2. DUTIES OF BROKER

2.1. TAKING OF APPLICATIONS/ DISCLOSURES. Broker shall take applications for the Loan Programs in its own name through its employees. Any employee taking applications or offering or negotiating mortgage loan terms on residential consumer purpose loans must be registered through the Nationwide Mortgage Licensing System and Registry (NMLS) and licensed or registered in all states where they originate loans. Any employee taking applications or offering or negotiating mortgage loan terms on commercial business purpose loans must be registered through the Nationwide Mortgage Licensing System and Registry (NMLS) and licensed or registered where required by applicable law. Broker shall provide to each person or persons who submits an application that is to be submitted to Lender, contemporaneously

with the taking of the application, broker disclosure(s) that comply with applicable laws. Broker may not submit third party originations to Lender under this Agreement.

2.2. APPLICATION SUBMITTAL. Broker shall submit each Application to Lender in a manner to be communicated to the Broker in writing by the Lender, as revised from time to time. Such methods of communication may include, but are not limited to, electronic, facsimile or written. Each Application shall include the fully completed broker disclosure(s) which have been signed as of the date of application by the Applicant and Broker; the Uniform Residential Loan Application (URLA) signed by the Applicant; and such credit, financial and other information as set forth by the Lender from time to time. Broker shall assist Lender in obtaining any additional information needed by Lender or to otherwise facilitate the underwriting and closing of the loan transaction.

2.3. PERFORMANCE OF BROKER SERVICES. In addition to taking the information from Applicant, completing and compiling the Application, and providing and explaining the broker disclosure(s), Broker shall, for every loan, perform services, including but not limited to the following:

- (a) analyzing the Applicant's income and debt and pre-qualifying the prospective Applicant to determine the maximum loan amount that the prospective Applicant can afford;
- (b) educating the Applicant in the home buying and financing process, advising the Applicant about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product;
- (c) collecting financial information (e.g., tax returns, bank statements) and other related documents that are part of the application process;
- (d) initiating/ordering verifications of employment (VOEs) and verifications of deposits (VODs);
- (e) initiating/ordering requests for mortgage and other loan verifications;
- (f) initiating appraisal requests with an appraisal management company designated by Lender in accordance with applicable law and investor requirements, including but not limited to the Appraisal Independence Requirements;
- (g) providing disclosures to prospective Applicants as required by applicable laws;
- (h) assisting Applicants in understanding and addressing credit problems;
- (i) maintaining regular contact with Applicants, real estate agents, and Lender between application and closing to apprise them of the status of the Application and to gather any additional information as needed;
- (j) ordering legal documents (e.g., title reports);
- (k) analyzing the information provided by Applicant and confirming that the Applicant's Application complies with applicable laws; and
- (l) providing such other services as may be required by a particular loan transaction.

2.4. BROKER COMPENSATION. Any fee payable to Broker for its provision of goods, services or facilities for certain mortgage loans shall be paid in accordance with the terms of this Agreement and applicable law, and only in connection with a particular mortgage loan if each of the following conditions is met:

- (a) Broker has actually provided necessary goods, services and/or facilities in connection with the mortgage loan, and the compensation is reasonably related to the value of the goods, services and/or facilities provided by Broker;
- (b) Broker is in compliance with all applicable federal, state and local laws and regulations and all of the terms of this Agreement and has submitted fully executed copies of all required disclosures with the Application;
- (c) Broker has submitted an executed mortgage loan origination agreement/fee agreement between Broker and Applicant that satisfies the requirements of applicable law;
- (d) the applicable mortgage loan has funded and has not been rescinded;
- (e) Broker has performed, at a minimum, the services required under Section 2.3 of this Agreement; and
- (f) Broker's compensation complies with applicable state, federal and local law (including without limitation 12 CFR §1026.36 (the "TILA Compensation Rule")), this Agreement, and with applicable requirements of any of Lender's investors.

2.5. COMMUNICATIONS WITH APPLICANT. Unless otherwise instructed in writing by Lender, Broker shall promptly deliver to Applicants any documents prepared by Lender and intended for delivery to Applicants, regardless of

the manner in which such documents are delivered to the Broker. Lender may from time to time directly contact Applicant(s) in connection with Lender's own quality control or fraud prevention efforts, but is not obligated to do so by this Agreement.

2.6 LOAN RESCISSION, REIMBURSEMENT OF FEES. If Broker has collected any fees from an Applicant, including any fees payable to a third party, in connection with a mortgage loan that is rescinded by the Applicant pursuant to applicable state or federal law or regulation, Broker shall promptly refund all such fees that are required to be refunded to the Applicant.

2.7. ASSIGNMENT. Upon request of Lender, the Broker shall immediately assign, transfer and convey all of its rights, title and interest in the mortgage loan file and any and all of its contents.

2.8. NON-SOLICITATION AND EARLY PAYOFF/EARLY PAYMENT DEFAULT.

- (a) Neither Broker nor its officers, directors, agents, employees or affiliated entities shall, for a period of twenty-four (24) months from the date of closing of any mortgage loan made by Lender, solicit an Applicant for the purpose of making a new loan or other credit transaction which would be secured by the same property which secures such Applicant's mortgage loan made by Lender. However, if an Applicant requests an additional loan or other credit transaction from Broker without solicitation by or on behalf of Broker, which loan or other credit transaction would be secured by the same property as the mortgage loan made by Lender, Lender shall be given a right of first refusal with respect to such additional loan or other credit transaction. The term "solicit," as used herein, shall not include mass advertising via newspaper, radio, television and other similar forms of communication not specifically directed to the Applicants. If Broker violates the provisions of this section, in addition to other remedies Lender may have, Broker must reimburse Lender for all Broker compensation in connection with any affected mortgage loan.

- (b) Notwithstanding anything to the contrary contained herein, if Borrower prepays a Mortgage Loan in full within six (6) months of the first payment due date for any reason, then Broker shall, within fifteen (15) calendar days after receiving notice from FlexPoint Inc, refund to FlexPoint Inc the amount of any FlexPoint Inc paid compensation previously paid to Broker by any party, or any lender credit used by the borrower to reduce or offset the borrower's settlement charges. The recapture of any FlexPoint Inc paid compensation to Broker or the reimbursement of any credit used by the borrower to reduce or offset costs and fees are strictly the obligation of Broker. Broker shall not seek to recover such fees from the borrower and such fees do not constitute a prepayment penalty applicable to the borrower by FlexPoint Inc.

- (c) For any loan originated by Broker that funded by FlexPoint Inc, Broker shall repurchase the loan if any of the first six (6) scheduled monthly payments become more than thirty (30) days contractually past due. Such delinquent loans shall be deemed in early default status and Broker shall have fifteen (15) calendar days after receiving notice from FlexPoint Inc to repurchase said loans at then current repurchase price stated in the notice. Broker shall not advance funds for or on behalf of any Borrower for any loan payment or otherwise make funds available to any Borrower to avoid or cure any default by Borrower.

3. DUTIES OF LENDER

3.1. UNDERWRITING OF MORTGAGE LOANS. Lender or its agent shall underwrite every Application in accordance with the terms of this Agreement. Lender shall have no obligation to approve or close a mortgage loan which in its sole discretion does not meet Lender's underwriting requirements. In making its determination, Lender expressly disclaims any conclusions Broker may draw as to the general quality or acceptability of the Application. Lender retains sole and absolute discretion to reject any Application which does not comply with the terms and conditions of this Agreement, or for any reason whatsoever (except any reason prohibited by Law), and to set the terms and conditions of

any approval of an Application. Lender shall notify Broker of the disposition of an Application. Broker may not represent that Lender has approved or will approve any Application until Lender informs Broker in writing that it has done so. If Lender declines any Application, Broker shall notify the Applicant promptly upon receipt of notice of Lender's decision and deliver the required adverse action notice to the Applicant in accordance with applicable state, federal and local laws. Broker shall also maintain evidence that the adverse action notice was received by Applicant; provided, however, that Broker shall not be required to notify the Applicant of Lender's declination in any case where another lender has committed to originate the mortgage loan. Lender will have no obligation or liability to Broker for any mortgage loan which is not closed by Lender and/or for any delays in the processing of any Applications.

3.2. CLOSING OF MORTGAGE LOANS. Lender shall proceed to the closing of the mortgage loan under the terms and conditions of its approval. Lender shall prepare the closing package and close the mortgage loan in its name and with its own funds.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BROKER

As an inducement to Lender to enter into this Agreement and to consummate the transactions contemplated hereunder, Broker makes the following representations, warranties and covenants to Lender and any successor in interest to Lender under this Agreement as of the date hereof, as of each and every date Broker submits an Application to Lender, and as of the date any related mortgage loan is closed and funded by Lender. Lender shall be deemed to have relied on such representations, warranties and covenants, regardless of any independent investigation it may have made or may hereafter make.

4.1. DUE ORGANIZATION; GOOD STANDING. Broker 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 during the time of its activities with respect to the origination and closing of the mortgage loans subject to this Agreement.

4.2. AUTHORITY AND CAPACITY. Broker has all power, authority and capacity legally required to enter into this Agreement and to perform the obligations required of it hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary action legally required. This Agreement constitutes a valid and legally binding Agreement of Broker, enforceable in accordance with its terms.

4.3. EFFECTIVE AGREEMENT; NO CONFLICTS. The execution, delivery and performance of this Agreement by Broker, 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 (in the case of a corporation), bylaws, partnership 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 Law, or any judicial or administrative decree, order, ruling or regulation, applicable to it.

4.4. COMPLIANCE WITH LAWS. Broker has complied, and shall comply, both in the conduct of business generally, and in its origination of each mortgage loan, with all applicable federal, state and local laws and regulations, including, without limitation upon the generality of the foregoing: the federal Equal Credit Opportunity Act and its implementing Regulation B (collectively, "ECOA") (including without limitation its requirements relating to nondiscrimination); the Truth in Lending Act and its implementing Regulation Z (collectively, "TILA") (including, without limitation, (a) the TILA Compensation Rule and (b) those provisions of Regulation Z derived from and relating to the rule governing Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) (the "TRID Rule")); the Real Estate Settlement Procedures Act and its implementing Regulation X (collectively, "RESPA") (including, without limitation, those provisions of Regulation X derived from and relating to the TRID Rule); and state and local laws and regulations governing mortgage lending and mortgage brokerage. Broker represents and warrants that no mortgage loan is a High Cost Loan as that term is defined by the Home Ownership and Equity Protection Act ("HOEPA") or similar federal, state or local law, and the mortgage loan

does not fall into any other classification under state law which is not eligible for purchase. Broker further represents and warrants that it and its employees are properly licensed or registered in all jurisdictions where required for the origination of mortgage loans as provided for in this Agreement and agrees to maintain all applicable licenses, registrations and approvals in good standing during the term of this Agreement.

In furtherance of the foregoing, Broker shall submit to Lender, upon the execution of this Agreement and on each anniversary thereafter, a signed Annual Loan Originator Compensation Certification in the form set forth in Exhibit A hereto.

4.5. NOTICE OF THREATENED ACTIONS. Broker has not been issued any administrative order, Cease and Desist decree or been the subject of regulatory action. Broker shall immediately advise Lender in writing of any inquiry, material complaint or pending or threatened 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 quasi-governmental body, or any agency or instrumentality thereof, necessary for Broker to conduct its business, or to impose any penalty or other disciplinary sanction in connection therewith, or any other sanction that would materially affect Broker's business. In addition, in the event Broker receives any letter, notice, or other writing ("Notice") from any regulatory agency with respect to any Application submitted to Lender, Broker shall advise Lender immediately of such Notice and deliver a copy of the Notice to Lender. Broker further warrants that no material complaints have been filed against Broker alleging unfair and deceptive practices and/or violations of Consumer Protection Laws and will notify Lender immediately in the event of any such occurrence.

4.6. LITIGATION. Except as previously disclosed in writing to and acknowledged in writing by Lender, Broker is not party to (a) any pending, or, to Broker's knowledge, threatened litigation as a defendant involving fraud, misrepresentation, violation of any state or federal lending laws or regulatory compliance, (b) any claims by Applicants, or (c) any negative investor or regulatory finding through audits or examinations.

4.7. NO UNTRUE OR MISLEADING STATEMENTS. No representation, warranty or written statement made by Broker to Lender in this Agreement or in any schedule, written statement or document furnished to Lender in connection with the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

4.8. INSURANCE. Unless otherwise agreed to in writing, Broker possesses and shall maintain, at no expense to Lender, during the term of this Agreement, fidelity bond coverage and errors and omissions insurance, and shall furnish evidence of such coverage upon request of Lender. Such policies shall be in reasonable amounts, with acceptable standard coverage, satisfactory to Lender. Broker shall notify Lender of changes thereto or cancellations thereof.

4.9. BUSINESS INFORMATION. Broker shall furnish to Lender and its representatives any necessary information and data concerning the affairs of Broker, as Lender 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. Broker shall furnish, annually as requested by Lender, copies of financial statements, the type and sufficiency of which shall be determined by Lender in its sole discretion, together with such other information bearing upon Broker's financial condition as Lender may reasonably request. Upon request of Lender, Broker shall promptly provide Lender with all documents and records requested by Lender that evidence Broker's compliance with this Agreement, applicable law, and applicable investor requirements.

4.10. ABILITY TO PERFORM. Broker represents that it employs or will employ a sufficient number of knowledgeable and capable individuals to perform the services required by this Agreement.

4.11. AFFILIATED BUSINESS ARRANGEMENT. Broker represents that any existing Affiliated Business Arrangement has been disclosed, and further represents that any future Affiliated Business Arrangement be disclosed.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS AS TO EACH MORTGAGE LOAN.

As further inducement to Lender to enter into this Agreement and to consummate the closing and funding of mortgage loans hereunder, Broker makes the below referenced representations, warranties and covenants. Each of the following representations and warranties (a) applies to any and all Applications submitted by Broker to Lender, (b) is for the benefit of Lender and its successors and assigns, (c) continues in full force and effect for so long as Lender is subject to any risk of loss or liability as to any Application submitted by Broker, (d) is deemed to have been relied on by Lender, regardless of any independent investigation it may have made or may hereafter make, and (e) is in addition to any other specific representations or warranties contained elsewhere herein.

5.1. COMPLIANCE WITH LAWS. Broker has complied with, and all Applications have complied with, all applicable federal, state and local laws, rules, and regulations, including without limitation, ECOA, TILA (including, without limitation the TILA Compensation Rule and those provisions of Regulation Z relating to the TRID Rule); RESPA (including, without limitation, those provisions of Regulation X relating to the TRID Rule); the Fair Credit Reporting Act; and state and federal fair lending and fair housing regulations and all other applicable local, state and federal laws, rules and regulations including, but not limited to, all applicable predatory and abusive lending laws. No Application submitted by Broker shall constitute a transaction which would be subject to coverage under the Home Ownership and Equity Protection Act ("HOEPA") or Section 32 of Regulation Z of the Truth-in-Lending Act or which would otherwise be considered a "high rate" or "high cost" loan under applicable state law.

5.2. COMPLIANCE WITH LENDER POLICIES AND PROCEDURES; TRID RULE.

- (a) The origination of each mortgage loan complies in all respects with the terms of this Agreement. Each Application submitted was originated by Broker and not by a third party. All Applications, including all mortgage loan documents and information and documentation submitted in connection with such Applications, have been prepared and/or completed in accordance with applicable law and all information provided by each of Applicant and Broker in such Applications are true and correct in all respects and do not fail to disclose any facts which could be material or which would make such information misleading. All broker compensation has been fully disclosed to Applicant in compliance with applicable laws. The Applicant has executed and received a copy of the broker disclosure(s) as required by applicable law and there are no disputes with respect to Broker's compensation in connection with the origination or closing of each mortgage loan.
- (b) Each Application submitted by Broker to Lender for a residential consumer purpose loan was submitted to Lender no later than the end of the second business day after Broker's receipt of the Applicant's "Application," as that term is defined in 12 CFR § 1026.2(a)(3)(i) and (ii). Each Loan Estimate delivered to Lender was created, generated and drafted using the electronic portal hosted by Lender specifically for such purpose. The terms included within any Application submitted by Broker to Lender are not identical to the terms of any loan application previously withdrawn by the Applicant prior to delivery of a Loan Estimate to the Applicant.

5.3. FACTUAL DISCLOSURE. All facts relating to any Application and/or related mortgage loan transaction which are known or should be known to Broker which may adversely affect the value of the mortgaged property, the credit, character or capacity of the Applicant, the validity of the mortgage, or any other aspect of the transaction have been disclosed in writing to Lender.

5.4. NO ADVERSE CIRCUMSTANCES. Broker has no knowledge of any circumstances or conditions with respect to any Application, mortgaged property, Applicant or Applicant's credit standing that reasonably could be expected to cause third party investors to regard the related mortgage loan as an unacceptable investment, cause the mortgage loan to become delinquent or adversely affect the value or marketability of the mortgage loan.

5.5. FHA LOANS. If the Application is delivered to Lender for a loan intended to be insured by the Federal Housing Administration (“FHA”), it has been originated in conformance with all applicable FHA requirements and Broker is authorized under applicable FHA regulations to originate an FHA loan. Broker has taken no action or failed to take any action, the effect of which would prevent Lender from obtaining FHA insurance or which would at any time invalidate, in whole or in part, the FHA insurance on any submitted Application which is subsequently approved, closed and funded by Lender.

5.6. UNTRUE OR MISLEADING STATEMENTS. No representation, warranty or written statement contained in any loan file or in any schedule, written statement or document furnished to Lender in connection with a loan file hereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. There has been no fraud committed in connection with the loan file by Broker or any third party.

5.7. APPRAISALS. Broker has not engaged in (and is unaware of anyone else who has engaged in) any conduct with respect to an appraisal or other property valuation that violates applicable law, including, but not limited to 12 CFR §§ 1026.36(b) and 1026.42, or the requirements of any investor, including but not limited to the Home Valuation Code of Conduct, the Appraisal Independence Requirements or similar requirements.

5.8. COMPLIANCE WITH FNMA, FHLMC OR INVESTOR GUIDELINES. If the Application is submitted to the Lender for a loan intended to be a conventional conforming loan, it has been originated in conformance with all applicable Lender requirements and all applicable requirements of Fannie Mae or Freddie Mac for sale to Fannie Mae or Freddie Mac and inclusion in a Fannie Mae or Freddie Mac mortgage backed securities pool, as applicable, and is otherwise originated as an investment quality loan suitable for sale on the secondary market to a secondary market investor.

5.9. NO OTHER AGREEMENTS. Except as otherwise permitted by Lender, Broker has not made, directly or indirectly, any payment on the mortgage loan, the Application, or any fee paid for goods and services rendered in connection with the origination and closing of the mortgage loan, or on any other loan of Applicant from any other person or entity. Broker has also not made any agreement with any Applicant providing for any variation of the Note rate, schedule of payment or other terms and conditions of the mortgage loan; and Broker has not received a request for approval of or notice of any proposed assumption, loss draft or payoff of the mortgage loan.

5.9 COMPENSATION ARRANGEMENTS.

- (a) For all residential consumer purpose loans, Broker’s payments to its loan originators comply with all applicable laws, including, but not limited to, 12 CFR § 1026.36, as amended from time to time.
- (b) Broker has not requested compensation from Lender that is based on the terms or conditions of any loan delivered or expected to be delivered by Broker, and the reasons stated by Broker for any requested change in compensation are true and correct.
- (c) In any residential consumer purpose loan transaction in which Broker has received compensation from the Applicant, Broker has not received, nor does it expect to receive, compensation from any other source; and Broker’s loan originator has received compensation only as permitted by applicable laws, including, but not limited to, 12 CFR § 1026.36, as amended from time to time.
- (d) Broker has not delivered any loan to Lender based on the fact that Broker expects to receive greater compensation from Lender than in other transactions that Broker offered or could have offered to the consumer from another lender; and has subjected any loan delivered to Lender to any test that provides a legal “safe harbor” or similar protection against such a claim.
- (e) Broker shall not submit any loans to Lender with “Borrower Paid Compensation” which exceeds 300 basis points. All Borrower Paid Compensation must be agreed to by the Broker and Borrower prior to submitting the loan file to Lender. Following the submission of a loan file to Lender, if compensation is changed from lender paid to borrower paid, the borrower paid compensation including broker fees, origination fees, processing fees, or other broker charged may not exceed the then current lender paid compensation level paid to the broker by Lender.

6. REMEDIES FOR BREACH OF AGREEMENT

In addition to other rights and remedies that Lender may have, upon discovery by either Broker or Lender of any breach of any representation, warranty or covenant of this Agreement, the party discovering the breach shall promptly notify the other. Within thirty (30) days after discovery by or notice to Broker of any breach, Broker shall promptly cure such breach to the reasonable satisfaction of Lender. Notwithstanding the cure period set forth above, in the event of a breach of representation, or warranty, or covenant of this Agreement which in the reasonable judgment of Lender cannot be cured within such thirty (30) day time period, or if Lender is required to repurchase a loan sold to an investor due to a deficiency in or omission with respect to such loan which is attributable to Broker then Broker shall purchase such loan for the "Repurchase Price". The Repurchase Price shall be an amount equal to the sum of (i) the current unpaid principal balance of the loan at the time of repurchase (or at the time of the foreclosure sale date if the related loan has been foreclosed), (ii) accrued but unpaid interest on such principal balance at the Note rate from the paid-to date of the loan through and including the last day of the month in which the Repurchase Price is paid, (iii) all costs and expenses, including without limitation, reasonable attorneys' fees and expenses, incurred by Lender as a result of Broker's breach of this Agreement or enforcing the terms of this Agreement or Broker's obligation to repurchase the loan, (iv) any premium paid by Lender in excess of the principal balance of the loan at the time of purchase (excluding the service release premium) if Lender has not sold the loan at the time of Broker's repurchase or if Lender has sold the loan and it is required to reimburse the purchaser, the premium that the purchaser paid to Lender, (v) any unreimbursed advances made by Lender, including without limitation taxes or insurance or payments authorized by the Note or the mortgage or applicable law to protect Lender's interest in the loan or related property and (vi) any other fees, costs or amounts relating thereto. The Repurchase Price shall be reduced by (i) any proceeds of mortgage insurance collected by Lender with respect to the loan that have not been applied to the unpaid principal balance; and (ii) if the loan has been foreclosed and the property has been sold to a third party, the proceeds of the sale price received by Lender net of all advances, costs and expenses, including but not limited to reasonable attorneys' fees and expenses, incurred by Lender in connection with such sale.

It is agreed by the parties that Broker's repurchase obligation shall not be obviated by the fact that the property securing the loan has been foreclosed upon and said property has been acquired by Lender or a third party. The repurchase obligation encompasses the repurchase of the property from Lender if Lender has acquired the property, or, if a third party has acquired the property, reimbursing Lender as set forth herein. Notwithstanding anything to the contrary, in no event shall a full credit bid made by Lender, its successors or assigns, or any related party, at a foreclosure sale of any loan affect in any way the rights and remedies of Lender or the obligations of Broker under this Agreement, including without limitation the obligations of Broker to repurchase and indemnify Lender as provided herein.

Broker further agrees that the fact that Lender has or has not exercised its right to contact Applicant(s) under Section 2.5 and/or its rights under Section 7 shall not be a defense to any remedy of Lender under this Section 6 or to Broker's obligation to indemnify Lender under Sections 7 or 8.

7. RESPONSIBILITY FOR FRAUD

Broker shall not submit any Application or related documents containing false or misrepresented information. Broker shall be responsible for all actions taken in the course of its performance of its obligations under this Agreement, whether performed by Broker, its employees or licensees, or the Applicant, or any other third party involved in the origination of the mortgage loan. Broker shall indemnify Lender if fraud has occurred in the origination of such mortgage loan. Broker understands and agrees that in the event Lender reasonably believes misrepresentations or fraud (e.g., instances of misstatements and/or inconsistencies generated either by the Broker or with the Broker's knowledge) exists in an Application or related documents, Lender may report such misrepresentation or fraud to the appropriate state and federal regulatory authorities, law enforcement agencies, and fraud databases. Broker acknowledges the importance of Lender's right and necessity to disclose such information. Broker waives any and all claims for liability, damages and equitable or administrative relief in connection with Lender's disclosure of such information. Further, Broker agrees that, should it become aware of fraud or misrepresentation related to any Application, related documents, or parties involved in a loan transaction, Broker shall immediately report such activity and all related facts to Lender according to the notice

provisions set forth herein.

8. INDEMNIFICATION

In addition to the remedies set forth in Section 6 above, Broker shall indemnify, defend and hold Lender harmless against and in respect of, and shall reimburse Lender for any and all losses, liabilities, claims, damages, costs including without limitation attorneys' fees and costs (including allocated costs of in house counsel), and actions suffered or incurred by Lender which arise out of, result from or relate to: (a) the breach by Broker of any covenant, condition, term, obligation, representation or warranty contained (i) in this Agreement, or (ii) in any written statement or certificate furnished by Broker pursuant to this Agreement, including without limitation those arising from any improper origination or processing of mortgage loans; or (b) any material act or omission of Broker or any employee or agent of Broker which adversely affects any mortgage loan submitted to and funded by Lender hereunder.

Without limiting the foregoing, Broker's obligations under this Section 8 shall include costs and expenses associated with Lender's efforts to enforce this Agreement. In all actions with third parties in which Lender has the right to be indemnified hereunder, Lender 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.

9. TERM; TERMINATION

9.1. 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 Article.

9.2. TERMINATION. Broker acknowledges that Lender may with or without cause terminate this Agreement at any time, immediately upon providing written notice to Broker at Lender's sole discretion. Such termination shall not in any respect change or modify the obligations of the parties with respect to (a) Applications which have been submitted to Lender pursuant to the terms of this Agreement prior to the date of termination (except in the case of fraud) or (b) Broker's obligations under this Agreement accruing prior to the date of termination.

9.3. SURVIVAL. All of the representations and warranties made by Broker herein and Broker's obligations of repurchase in Section 6, indemnification in Section 8, and non-solicitation in Section 2.8, shall survive any termination of this Agreement, and shall be fully applicable whether or not Lender relies thereon or has knowledge of any facts at variance therewith.

10. MISCELLANEOUS

10.1. ASSIGNMENT. Lender shall have the right to assign or transfer this Agreement and its duties, obligations or rights hereunder. Broker may not assign, transfer or subcontract any of its duties, obligations or rights under this Agreement without Lender's prior written consent. A change in the ownership of, or merger or consolidation of Broker, or sale by Broker of substantially all of its assets, shall be considered an assignment for purposes of this Agreement. In the event Lender assigns any of its rights in the mortgage loans closed hereunder, such assignee shall have the same rights as Lender with respect to this Agreement.

10.2. NOTICES. All notices or other information transmitted in connection with this Agreement shall be in writing and sent by (a) personal delivery, (b) prepaid overnight courier, or (c) certified mail, return receipt requested, postage prepaid:

If to Broker:

Attention:

If to Lender:

FlexPoint Inc.
250 Baker St., Suite 200
Costa Mesa, CA 92626
Attn: Legal Department

Either party may change its address for notice purposes by giving written notice of the change to the other party. A notice or other communication sent in compliance with the provisions of this section shall be deemed good and sufficient service regardless of whether the parties actually received such notice.

10.3. BOOKS AND RECORDS. Broker shall prepare and maintain files of mortgage loans in accordance with applicable guidelines established in the industry and applicable law. Broker will cooperate with Lender in the investigation of any claim and assist in the defense of any lawsuit arising out of the obligations of the parties under this Agreement. In addition, Broker will cooperate with Lender, its auditors and/or regulatory examiners in any audit of Lender and in any regulatory examination of Lender.

10.4. RELATIONSHIP OF PARTIES. Neither party is the partner, agent, employee or representative of the other and nothing in this Agreement shall be construed or deemed to create a partnership, joint venture, agency or employment relationship between Lender and Broker. Broker shall conduct business in its own name and not in Lender's name. Broker shall not represent that its office is an office, branch or agent of Lender or in any other way connected with Lender. Broker shall have no authority to sign any documents on behalf of Lender. Broker shall be responsible for its overhead and operations costs, payroll costs and all other costs. Broker shall not hold itself out to prospective Borrowers as having the authority to approve loan requests or to issue loan commitments on behalf of Lender. Broker shall not represent that Lender has approved or will approve any loan request until Broker is so informed by Lender in writing.

10.5. BROKERS. Each party represents and warrants that there are no claims for brokerage commissions or finders' fees or other claims for money from any agent or similar intermediary in connection with Broker's entering into this Agreement with Lender, and each party agrees to indemnify and hold harmless the other party with respect to any and all liability for any such fee or commission which is required to be paid to any such agent or broker.

10.6. CONFIDENTIALITY. Broker agrees that information concerning Lender's business (including that of all corporate affiliates) is "Confidential Information" and proprietary and shall be maintained in confidence and not disclosed, used, duplicated, published, disseminated or otherwise made available except as described in this section. Confidential Information may include, without limitation, pricing sheets, lists of, or other information relating to and identified with customers, former or prospective customers or applicants, trade secrets, confidential and proprietary methods, techniques, processes, applications approaches, and other information of Lender in various forms, which information is used or is useful in the conduct of Lender's business including Lender's origination, purchase, and sale of mortgage products and the subject matter of this Agreement. Broker may use Confidential Information of Lender only in connection with performance under this Agreement. Except as described in this Agreement, the parties shall not copy Confidential Information or disclose Confidential Information to persons who do not need Confidential Information in order to perform under this Agreement. Broker shall maintain an appropriate information security program to prevent the unauthorized disclosure, misuse, alteration or destruction of Confidential Information. Confidential Information shall

be returned to Lender upon termination of this Agreement. Confidential Information does not include information that is generally known or available to the public or that is not treated as confidential by the party claiming such information to be confidential, provided, however, that this exception shall not apply to any publicly available information to the extent that the disclosure or sharing of the information by one or both parties is subject to any limitation, restriction, consent, or notification requirement under any applicable federal or state information privacy law or regulation then in effect. In the event it is necessary for Broker to disclose Confidential Information to a third party in order to perform Broker's duties hereunder and Lender has provided Broker with written authorization to do so, Broker shall disclose only such Confidential Information as is necessary for such third party to perform its obligations to Broker. If requested by Lender, any employee, representative, agent or subcontractor of Broker shall enter into a nondisclosure agreement with Lender to protect the Confidential Information of Lender. A breach of Broker's confidentiality obligations may cause Lender to suffer irreparable harm in an amount not easily ascertained. The parties agree that such breach, whether threatened or actual, will give the Lender the right to obtain equitable relief (i.e., obtain an injunction to restrain such disclosure or use without the requirement of posting a bond), and pursue all other remedies Lender may have at law or in equity.

10.7. ADVERTISING AND TRADEMARK. Broker shall not engage in any form of advertising whatsoever utilizing either the name of Lender or any subsidiary or affiliate of Lender or any of the product names, trade names, symbols or trademarks of any of Lender's loan products, unless specifically licensed in writing to do so.

10.8. ENTIRE AGREEMENT. This Agreement contains the entire Agreement between the parties and supersedes all prior agreements and understandings with respect to the subject matter hereof.

10.9. MODIFICATION AND WAIVER. Lender may modify or amend this Agreement by publishing such modifications by written or electronic means, including, without limitation, on Lender's website, and notifying Broker of such change in accordance with the notice provisions set forth herein. Broker's submission of an Application to Lender subsequent to the publishing of such modifications or amendments hereto shall constitute Broker's acceptance of the Agreement as modified or amended. No modification, amendment, deletion, addition or other change in this Agreement, or any provision hereof, or waiver of any right or remedy herein provided, shall be binding upon Lender unless signed by an authorized officer of Lender. The waiver of any right or remedy in respect of any one occasion shall not be deemed a waiver of such a right or remedy in respect of such an occurrence or event on any other occasion.

10.10. MODIFICATION OF OBLIGATIONS. Lender may, without any notice to Broker, extend, compromise, renew, release, modify, adjust or alter, by operation of law or otherwise, any of the obligations of an Applicant or other persons obligated under a mortgage loan without releasing or otherwise affecting the obligations of Broker with respect to such mortgage loan or otherwise under this Agreement.

10.11. SURVIVAL OF PROVISIONS. If any of the terms or provisions of this Agreement are for any reason whatsoever held invalid, then such terms or provisions will be deemed severable and shall in no way affect the validity or enforceability of such remaining provisions and terms, all of which shall remain in full force and effect. All of the covenants, agreements, representations and warranties made herein by the parties hereto shall survive and continue in effect after the termination of the Agreement or the consummation of the transactions contemplated hereby.

10.12. GOVERNING LAW; JURISDICTION. This Agreement shall be governed by, and construed and enforced in accordance with, applicable federal law and the laws of the State of Pennsylvania. Any action arising out of this Agreement or the transactions contemplated hereby may be instituted in any state or federal court located in the State of Pennsylvania. Further, each party expressly waives any objection which such party may have to the laying of venue of

any such action, and irrevocably submits to the jurisdiction of any such court and agrees to be fully bound by any final un-appealed decision of those courts.

10.13. AGREEMENT FAIRLY CONSTRUED. This Agreement shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared this Agreement.

10.14. 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 a part of this Agreement.

10.15. GOOD FAITH DEALING. The parties hereto agree to deal in good faith with each other at all times.

10.16. EXPENSES. Each party shall pay its own expenses incident to this Agreement and the transactions contemplated hereby, including, but not limited to, all fees of its counsel and accountants, whether or not any of the transactions contemplated shall be consummated.

10.17. COUNTERPARTS. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

10.18. BROKER CONSENT. Approval of a broker application by Lender and execution of this Agreement by both parties are required prior to participation in Lender's Loan Programs. Broker and its owners, officers and employees are subject to a background check as part of Lender's application review process and on-going monitoring of brokers participating in Lender's program. These checks may be performed by Lender, its subsidiaries and affiliates, or in whole or in part by a third party service provider ("Service Provider") on Lender's behalf. Broker acknowledges that, as part of Lender's application review process, Lender will receive for its review and verification a broker application provided by Broker to Lender or Service Provider, and that either or both of Lender and Service Provider may perform due diligence reviews of the broker application. Broker hereby consents to this review process and to Lender's use of the Broker application and related materials (the "Broker Package") as described herein and authorizes Lender, its subsidiaries and affiliates, or Service Provider to verify any information contained in the Broker Package with the sources referenced therein. Broker further authorizes Lender to consult such other sources, and perform such additional due diligence as Lender deems necessary, in its sole discretion, to evaluate Broker's application and continuing qualification for participation in Lender's Loan Programs. Lender may periodically conduct quality control and compliance audits of Broker, upon reasonable notice, and if onsite, during normal business hours. In connection therewith, Broker shall provide its full cooperation to Lender and its agents, and provide access to Broker's facilities, personnel, books, records, policies, procedures, internal control documents, training materials, compliance reports and any other documents or materials, that relate to Broker's compliance with applicable laws and Lender's policies and procedures. Notwithstanding the foregoing, Lender shall cooperate with Broker's reasonable requests to minimize the impact of such access on Broker's employees.

Broker hereby gives its express consent to receive facsimile transmissions (hereafter referred to as "faxes") from Lender and its employees, parents, subsidiaries, affiliates, agents and/or assigns, including but not limited to those faxes that may constitute advertisements of the various Loan Programs, products and/or services offered from time to time by Lender. This consent to receive faxes shall apply to the telephone facsimile numbers listed on the Broker Application. This consent shall remain in effect until it is revoked in a writing delivered to Lender at the address contained in this Agreement. Broker also agrees that should it access any of Lender's Loan Programs electronically that it will be subject to any separate Terms and Conditions contained on Lender's internet site.

10.19. RIGHT OF OFFSET. Lender shall have the right to, at any time and without prior notice, deduct any penalties, fees, expenses, or other charges or obligations of any kind owed by Broker to Lender from any amounts to be paid to Broker for mortgage loans submitted by Broker under this Agreement.



10.20. RELEASE OF LIABILITY. Broker hereby discharges and releases Lender, its parent companies, subsidiaries and affiliates, and their present and future directors, officers, employees, attorneys, and agents, and the successors and assigns of any of the foregoing, of and from any and all claims, demands, actions, causes of action, suits, damages, attorneys' fees, costs and expenses of suit, liabilities and judgments of whatsoever kind (a "Claim"), by reason of any act or omission relating to Lender's or Service Provider's use of the Broker Package or verification of any information contained therein. Broker further indemnifies and agrees to defend and hold Lender harmless with respect to any Claim made by any past, present or future owner, officer, or employee of Broker with respect to such use or verification.

FlexPoint Inc.

Name Of Broker Company

By: _____
Signature

By: _____
Signature

Name: _____
Print Name

Name: _____
Print Name

Title: _____

Title: _____

EXHIBIT A

ANNUAL LOAN ORIGINATOR COMPENSATION CERTIFICATION

Complete all blanks and sign below.

In compliance with the Loan Originator Compensation Rules under the Truth in Lending Act, Regulation Z, and the Official Interpretations thereof (the "TILA Compensation Rule"),

_____, who is a/an approved Broker and authorized to submit loans to FlexPoint Inc., attests on behalf of itself and its originators to the following as it relates to all loans submitted, delivered and/or to be submitted or delivered to FlexPoint Inc.

- Broker has updated its company policies and procedures regarding TILA Compensation Rules.
- Neither the Broker nor any other party has received or paid compensation to any loan originator in an amount that is based on a term or condition of the loan or a proxy for a term or condition of the loan.
- No borrower(s) has been steered to a product or program on the basis of increased loan compensation for broker or any loan originator.
- All applicable loan originators have a compensation agreement in compliance with the TILA Compensation Rules.
- All loan records and supporting documentation are retained as required by the TILA Compensation Rules.
- Broker has general controls to ensure compliance with TILA Compensation Rules, which may include, but are not limited to:
 - Documented Policies and Procedures
 - Executed Compensation Plans
 - Employee Training
 - Borrower Disclosures
 - Quality Assurance Plans/Monitoring
 - Internal Audits
 - Compliance Testing
 - Transaction Level Controls
- FlexPoint Inc, may require documentation of controls by Broker.

Broker/Entity Name: _____

Signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

BROKER COMPENSATION AGREEMENT

Compensation Agreement Effective Date: _____

The Broker Compensation Agreement (“Agreement”) is in effect for all loan applications submitted on or after the date entered above until a change with a new Agreement is received and approved by FlexPoint Inc. For any change, you may submit a new Agreement no less than sixty (60) days from the last plan change. Please send a completed Agreement to our TPO Administration department at BrokerApproval@flexpointinc.com Requests to change the current Lender Paid plan will go into effect on the later of the above Compensation Agreement Effective Date or the first business day after receipt and approval by FlexPoint Inc.

I “_____”, the authorized signer for and on behalf of ("Broker"), hereby elect the following percentage of the loan amount for determining broker's Lender-Paid Compensation amount in compliance with the Board of Governors of the Federal Reserve System's Regulation z to the Truth in Lending Act, for all wholesale funded loans where the borrower(s) have chosen to have FlexPoint Inc.,("Lender") pay the Broker's compensation:

Lender Paid Compensation (LPC). All LPC loans must follow the compensation plan in effect at the time the loan is submitted to FlexPoint Inc. The elected plan is set for minimum of ninety (90) days and may not be adjusted without approval from FlexPoint Inc. This Compensation Election must be completed and returned to FlexPoint Inc with submission package.

Lender Paid Compensation (Select only one)							
<input type="checkbox"/> 1.000	<input type="checkbox"/> 1.125	<input type="checkbox"/> 1.250	<input type="checkbox"/> 1.375	<input type="checkbox"/> 1.500	<input type="checkbox"/> 1.625	<input type="checkbox"/> 1.750	<input type="checkbox"/> 1.875
<input type="checkbox"/> 2.000	<input type="checkbox"/> 2.125	<input type="checkbox"/> 2.250	<input type="checkbox"/> 2.375	<input type="checkbox"/> 2.500	<input type="checkbox"/> 2.625	<input type="checkbox"/> 2.750	
Flat Fee (Flat fees are eligible on LPC comps not to exceed 2.25%, any comps above 2.25% cannot include a Flat Fee)							
<input type="checkbox"/> \$0.00		<input type="checkbox"/> \$500.00			<input type="checkbox"/> \$750.00		

Broker Compensation shall be inclusive of all broker fees, including, but not limited to, origination, processing, administration, application, and underwriting fees. Broker understands that LPC shall be based on a fixed percentage of the Loan amount but may be subject to a maximum dollar amount that does not vary per Loan. Broker acknowledges that when compensation is paid by FlexPoint Inc., such amount shall be Broker’s sole source of compensation, and Broker shall not charge a Borrower any additional fees, or accept any compensation in any form, at any time, from any party other than FlexPoint, Inc. in connection with such Loan. *Maximum Borrower Paid Compensation must be <= LPC listed above.

- Broker understands that the compensation above shall apply to all loans in all approved states of origination and continue until amended in writing as permitted by FlexPoint Inc.



- Broker agrees to retain records of loan originator compensation for a period of five (5) years and make such records available to FlexPoint Inc upon request.
- The Broker represents and warrants that it has implemented appropriate written policies and procedures designed to ensure compliance with all aspects of the Compensation Rule and any revisions to the policies and procedures available to FlexPoint Inc upon request.
- The Broker represents and warrants that it did not steer the borrower to consummate a transaction that was not in the interest of the borrower.
- As part of the recertification process with FlexPoint Inc, Broker shall provide FlexPoint Inc with a written attestation of its compliance with all aspects of the Compensation Rule. Broker represents and warrants that the signer has the authority to sign this document on behalf of the company listed above.

Company Name: _____

Broker Owner Name: _____

Broker Address: _____

City, State and Zip: _____, _____

If a change is requested, provide a detailed explanation for the change. All changes are subject to FlexPoint Inc.'s approval.

 Broker Authorized Agent Printed Name Title

 Signature Date

For approved Brokers please complete, sign, and email this form to: BrokerApproval@flexpointinc.com

FAIR LENDING POLICY

FlexPoint, Inc is committed to treating all borrowers fairly and equally. This commitment is part of our fundamental mission of providing quality financial services to existing and prospective borrowers in accordance with all applicable laws. This principle is embodied in fair lending laws such as the Equal Credit Opportunity Act, the Fair Housing Act as well as other factors included in state and local laws on any of the following bases:

- 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,
- Applicant's receipt of income from a public assistance program,
- Applicant's exercise, in good faith, of any right under the Consumer Credit Protection 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 that 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 is involved in the credit process and 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. 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.



LOAN FRAUD ZERO TOLERANCE

Broker bears responsible for all actions of its employees and agents. Broker is responsible for the content and qualify of each application take and each loan submitted to FlexPoint Inc.

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

Types of Loan Fraud

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

Impact of Loan Fraud

The effect of “Loan Fraud” are costly to all parties involve. FlexPoint Inc stands behind the quality of its loan production. Fraudulent loans cannot be sold into the secondary market and, it sold, will require repurchase by FlexPoint Inc. Fraudulent loans damage our reputation with our investors and mortgage insurance providers.

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

Consequence to Brokers

1. Criminal prosecution.
2. Loss of Broker’s license.
3. Loss of lender access due to exchange of information between lenders, mortgage insurance companies including submission of information to investors (Freddie Mac/Fannie Mae), police agencies, and the State Licensing Agencies.
4. Civil action by FlexPoint Inc.
5. Civil action by applicant/borrower or other parties to the transaction.
6. Loss of approval status with FlexPoint Inc.

I have read the foregoing and understand FlexPoint, Inc’s position on “Loan Fraud”

Company Name: _____

Signature of “Broker of Record” or “Principal Officer”

State / License Number

COMPLIANCE ATTESTATION FORM

On behalf of _____ (“Broker”), I certify that Broker has implemented an Anti-Money Program compliant with FinCEN’s Anti-Money Laundering Program and Suspicious Activity Report Filing Requirements for residential mortgage lenders and originators and that said program contains:

- Policies, procedures and internal controls, based on upon an assessment of money laundering and terrorist financing risks associated with the mortgage broker’s / correspondent lender’s products and services that will reasonably prevent, detect and report potential money laundering and other suspicious activity.
- Appointment of an AML Compliance Officer to administer the policy who is knowledgeable with Anti-Money Laundering and Suspicious Activity Report requirements.
- A requirement for educating and training appropriate staff, either internally or by a third-party.
- Independent testing, either by a third-party or internally, but not by the AML Compliance Officer, to monitor and maintain an adequate program.
- A requirement to report suspicious activity to FinCEN within thirty (30) days of discovery.

In addition, all appropriate employees of the Company have received AML-SAR training.

Furthermore, I have reviewed FlexPoint, Inc. Fair Lending Policy statement, a copy of which was provided as part of our application package or recertification and acknowledge that the Company is committed to the practices of fair lending.

By signing below, I declare that I am authorized to execute this attestation on behalf of the Company and that the above is true and accurate to the best of my knowledge.

Signature

Date

Name (Printed)