



Modified Correspondent Annual Recertification Instructions

Revised 8/15/18

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Recertification for Calendar Year: 2018 - 2019

Contents of the Recertification Package	
The following documents are included in this Recertification Package.	
<ul style="list-style-type: none"> ✓ Instructions ✓ Modified Correspondent Recertification Form ✓ LO Compensation Compliance Certification ✓ Modified Correspondent Master Loan and Sale Agreement 	<ul style="list-style-type: none"> ✓ You must fully complete the Recertification Form and include all applicable documentation. ✓ All information must be received by MSI <ul style="list-style-type: none"> • 2018 Recertification: No later than 10/31/18 ✓ Failure to return your Recertification <u>by the due date</u> may result in termination of your selling privileges.

Additional Information Required	
Check all included items and attach them with your return package.	
Provide the following:	
<ul style="list-style-type: none"> <input type="checkbox"/> Current year's audited Financial Statements <input type="checkbox"/> Copy of current Board-Approved QC Policy <input type="checkbox"/> Copy of current Board-Approved BSA/AML Policy <input type="checkbox"/> Copy of current Board-Approved Appraisal Policy <input type="checkbox"/> Copy of All Current Mortgage Lending Licenses, as applicable. 	<ul style="list-style-type: none"> <input type="checkbox"/> Copy of All Loan Officer's State License, as applicable. <input type="checkbox"/> Copy of current Board-Approved Fair Lending Policies <input type="checkbox"/> Copy of Organization Chart <input type="checkbox"/> All supporting letters of explanation as required.
Provide the updated information ONLY if changed in the past year:	
<ul style="list-style-type: none"> <input type="checkbox"/> Resumes of Key Personnel <input type="checkbox"/> For Companies Owned by Banks: <ul style="list-style-type: none"> ○ Documentation of personal identification for each new Principal noted in the "Key Personnel" section of the Application. ○ Copy of current driver's license. <input type="checkbox"/> Proof of Fidelity Bond and Errors & Omissions Insurance <i>and/or</i> Surety Bond as required by the state(s) in which you conduct business. <input type="checkbox"/> Articles of Incorporation, Articles of Organization, Partnership Agreement <input type="checkbox"/> Copy of Master Bailment Letter for <u>each</u> Warehouse Bank used. <input type="checkbox"/> Copy of Resolution Board of Directors <input type="checkbox"/> Copy of all Agency Approval Letters <input type="checkbox"/> W9 (November 2017 Version) <input type="checkbox"/> E-Sign Approval Form 	

Submission Instructions	
<ul style="list-style-type: none"> ✓ Complete the Recertification Form. ✓ Execute the Compliance Certification. ✓ Collect the supporting information listed in the section above. ✓ Package all information, include this Instruction Sheet, and return to the address below no later than the posted due date: 	
<p>Mortgage Services III, L.L.C. 502 North Hershey Road Bloomington, IL 61704 Attn: Ketra Hay (khay@msiloans.biz) Fax: 309-807-0227</p>	



Your Easiest Path
to Mortgage Lending™

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Company Information

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Business Tax ID #: _____ LEI #: _____

Company NMLS#: _____ FDIC/NCUA: _____

Company Main Contact: _____ Title: _____

Phone: _____ Email: _____

Company Secondary Contact: _____ Title: _____

Phone: _____ Email: _____

Company Web Site Address: _____

Company Main Phone: _____ Company Fax: _____

Toll Free Phone #: _____ Time Zone: _____

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Company Information, Continued

Key Personnel:

Department	Name	Email	Phone	Fax
If there have been any changes to the following in the past 12 months, please provide Resumes.				
<input type="checkbox"/> Business Owner				
<input type="checkbox"/> President Date of Birth: _____				
<input type="checkbox"/> Chief Financial Officer Date of Birth: _____				
<input type="checkbox"/> Controller				
<input type="checkbox"/> Production				
<input type="checkbox"/> Secondary Market*				
<input type="checkbox"/> Operations				
<input type="checkbox"/> Underwriting				
<input type="checkbox"/> Funding				
<input type="checkbox"/> Post-Closing				
<input type="checkbox"/> Final Docs				
<input type="checkbox"/> Warehouse				
<input type="checkbox"/> Compliance				
<input checked="" type="checkbox"/> Please designate the contact person for interest rates, Announcements, and other materials.				

Wire Instructions: Please check if this is a new bank. Please check if there are NO changes: (No info required.)

Destination Bank:

Destination ABA: _____

Acct. Name to be credited: _____

Acct. # to be credited: _____

Bank Phone: _____

Bank Fax: _____

City: _____

State: _____

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Investor Information

Agency Approvals: Submit agency approval letters as applicable.

Agency	Date Approved:	Identification Number
<input type="checkbox"/> FHA/HUD		
<input type="checkbox"/> VA		
<input type="checkbox"/> GNMA		
<input type="checkbox"/> Fannie Mae		
<input type="checkbox"/> Freddie Mac		

Investor References:

Investor Name: _____ Contact Name: _____
 Phone: _____ Last 12 month's volume: _____
 Relationship (Years) _____ % of Production sold: _____

Investor Name: _____ Contact Name: _____
 Phone: _____ Last 12 month's volume: _____
 Relationship (Years) _____ % of Production sold: _____

Investor Name: _____ Contact Name: _____
 Phone: _____ Last 12 month's volume: _____
 Relationship (Years) _____ % of Production sold: _____

General Investor Questions:	Answers:
What % of your company's loan production is sold on a flow basis?	
What % of your company's loan production is sold on a bulk basis?	
What % of your company's loan production is sold on a best efforts basis?	
What % of your company's loan production is sold on a mandatory trade basis?	
What % of your company's loan production is sold on an assignment of trade basis?	

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Production Information

Historical Loan Production: Please provide the following information on your production. Provide production numbers separately for each product loan type.

Loan Type	Volume in Dollars	Number of Loans
Current Year to Date: _____		
Conventional		
Jumbo		
FHA		
VA		
Other		
Purchase		
Refinance		
<i>Please "break down" the above product into origination channels:</i>		
Retail Origination		
Wholesale Channel		
Correspondent Channel		

Most Recent Fiscal Year Ended: _____		
Conventional		
Jumbo		
FHA		
VA		
Other		
Purchase		
Refinance		
<i>Please "break down" the above product into origination channels:</i>		
Retail Origination		
Wholesale Channel		
Correspondent Channel		

Repurchase / Indemnification Information

Repurchase / Indemnification paid in the past 12 months:

Total # of Loans: _____ UPB \$ _____ Settlement \$ _____

Outstanding Repurchase Balance as of this Recertification Date:

Total # of Loans: _____ UPB \$ _____ Settlement \$ _____

Age of the oldest outstanding Repurchase: _____

Continued on next page

Production Information, Continued

MSI Production: Please tell us your preference for selling your loans to MSI.

Conventional:

- Wholesale Transactions** – MSI underwrites and all loans are closed in MSI's name.
- Mod Corr Transactions** – MSI underwrites and the loans close in the Seller's name (with the Seller's funds); the Seller is responsible for returning a complete closing package to MSI.

Important Note: Certain conventional products require the Seller to close as a Wholesale Transaction.

FHA:

- Sponsored Originator (SO)** – all loans **must close as Wholesale Transactions**. MSI underwrites/closes and insures the loans.
- Authorized Agent – Wholesale Transactions:** MSI underwrites and insures; loans close in MSI's name.

VA:

- Authorized Agent – Wholesale Transactions:** Loans are closed in MSI's name with MSI funds; MSI underwrites and guarantees.
- Authorized Agent – Mod Corr Transactions:** MSI underwrites and guarantees, but Seller closes the loan. Seller must pay the VA Funding Fee within 10 calendar days of loan closing.

Rural Development / USDA:

- Wholesale Transactions:** All loans must be closed as Wholesale Transactions; MSI underwrites and insures; loan closes in MSI's name.
- Mod Corr Transactions:** All loans must be underwritten and guaranteed by MSI. The Seller closes the loan; the USDA 1980-18 must be in MSI's name and the Seller must return a complete closing package to MSI. MSI pays the Funding Fee.

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Disclosure Questionnaire

Questions:	YES	NO
<ul style="list-style-type: none"> ✓ All questions pertain to the last 12 months. ✓ Any of the following questions with a "Yes" answer require a letter of explanation (LOX) acceptable to MSI. Please include in your Recertification Package. 		
1. Have there been any material changes to the structure of your company this past year? If yes, please attach a full explanation.		
2. Has your company ever been named as a defendant in a lawsuit, been involved in any criminal proceedings or litigation in the past 12 months?		
3. Has any Principal or Officer ever been named as a defendant in a lawsuit, been involved in any criminal proceedings or litigation in the past 12 months?		
4. Has any Principal or Corporate Officer ever been convicted of a crime?		
5. Has there been a material change in company ownership, board of directors or senior management in the past 12 months?		
6. Have you initiated or terminated any affiliate relationships in the past 12 months?		
7. Has your company ever entered into a supervisory agreement with any regulatory agency?		
8. Has there been any material change in the way the company originates loans in the past 12 months?		
9. Has your company undergone any federal, state or agency regulatory review in the past 12 months?		
10. Have you received any customer complaints within the past 12 months regarding false/deceptive advertising, fraud, and/or misunderstanding of product terms?		
11. Has your company been suspended from selling or servicing mortgages by any investor?		
12. Have you had any information security incidents in the past 12 months?		
13. If your company is using a loan origination system are you prepared for the new upcoming URLA?		

Questions:	YES	NO
<ul style="list-style-type: none"> ✓ All questions pertain to the last 12 months. ✓ Any of the following questions with a "NO" answer require a letter of explanation (LOX) acceptable to MSI. Please include in your Recertification Package 		
14. Are loan audits performed internally?		
15. Does your company follow the recommended quality control guidelines for responsible lending published by Fannie Mae or Freddie Mac?		
16. Does your company have a process to insure compliance with high cost and anti-predatory lending statutes for all applicable federal, state and if necessary, local laws?		
17. Does your company perform background checks for employees involved in the origination of mortgage loans?		
18. Does your company have written hiring policies and procedures for checking all employees, including management, involved in the origination of mortgage loans (including application through closing) against the HUD Limited Denial of Participation List (LDP) and the U.S. General Services Administration (GSA) Excluded Party List (GSA)?		
19. Does your company have an Anti-Money Laundering program in place?		
20. Does your company adhere to the TRID Requirements, including the CD being delivered at least 3 days before closing?		
21. Does your company have written policies and procedures regarding loan originator compensation which comply with the loan originator compensation rules set forth in the Truth in Lending Act, Regulation Z, and the Official Staff Commentary - referred to collectively as the "Loan Originator Compensation: Requirements" under the Truth in Lending Act (final rule effective January 2014)		
22. Please indicate the total number of Loan Officers with your company?		
23. Please indicate the number of salaried Loan Officers with your company?		
24. Please indicate the number of commissioned Loan Officers with your company?		

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Disclosure Questionnaire, Continued

Certifications:	YES	NO
✓ All questions pertain to the last 12 months.		
25. Do you certify that you have implemented written policies and procedures to ensure compliance with Vendor Management and that it would be available upon request?		
26. Does your company have an approved compliance management system in place?		
27. Do you certify your company complies with all applicable Fair Lending laws, rule and regulations including, but not limited to, The Equal Credit Opportunity Act (ECOA); the Home Mortgage Disclosure Act (HMDA); the Fair Credit Reporting Act (FCRA); the Fair and Accurate Credit Transaction Act (FACT ACT); and the Community Reinvestment Act (CRA)?		
28. Does your company comply with the E-sign Act and with all local, state, federal, and agency requirements?		
IF Yes , please list current vendor(s). Please also attach your contract(s) if it has changed in the last 12 months		
29. Does your company use Affinity Processing Services?		
IF Yes , please list for which types of loans it will be utilized.		

Appraisal Engagement:	YES	NO
✓ All questions pertain to the last 12 months.		
30. Do you certify that your company has implemented written policies and procedures to ensure compliance with the Appraisal Independence Requirement (AIR) in conjunction with the previous Home Valuation Code Conduct (HVCC) and ECOA appraisal delivery to customers for all loan products?		
31. Do you currently order appraisals through MSI's AMC exclusively?		
IF No , what method and or services do you utilize?		
32. Does your company have documented policies and procedures, including FHA Appraisal Independence Requirements, to approve and monitor appraisal vendors?		

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Affiliated Agent Questionnaire

- For the purposes of answering the following questions, a "Principal" is any person or entity that has:
- ✓ Control, or power to vote 5% or more of the outstanding shares of any class of voting securities of the company, directly or indirectly or acting through one or more persons; or
 - ✓ Control in any manner over the election of a majority of the directors trustee, or general partners (or individuals exercising similar functions of the company); or
 - ✓ The power to exercise directly or indirectly, a controlling influence of the management or policies of the company;
 - ✓ The power to exercise directly or indirectly, the selection of title companies, title agents, escrow companies, law firms, and other settlement agents used by the company.

The "1st Degree of Relationship" includes children and parents. A husband and wife are related in the first degree by marriage. For other relationships by marriage, the degree of the relationship is the same as the degree of the underlying relationship by blood.

Affiliate Relation:	YES	NO
Any of the following questions with a "Yes" answer require a letter of explanation (LOX) acceptable to MSI.		
1. Do any controlling persons, owners, directors, or officers have a direct or indirect ownership interest in a Real Estate Sales Company?		
2. Do any controlling persons, owners, directors, or officers have a direct or indirect ownership interest in an Appraisal Company?		
3. Do any controlling persons, owners, directors, or officers have a direct or indirect ownership interest in a Title Company?		
4. Do any controlling persons, owners, directors, or officers have a direct or indirect ownership interest in a Construction or Home Improvement Company?		
5. Do any controlling persons, owners, directors, or officers have a direct or indirect ownership interest in a Credit Repair Company?		
6. Do any controlling persons, owners, directors, or officers have a direct or indirect ownership interest in any other general affiliate?		

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Signature, Authorization and Acknowledgments

Failure to return this executed form and requested documentation will result in suspension of the Seller's MSI approval.

- By signing below you certify the accuracy of the information provided in this form you certify, represent and warrant to MSI that the company referenced herein: (i) is properly licensed and registered in the states where the licensure and registration is required in order to conduct business as is presently being conducted and is contemplated under the terms of any agreement with MSI; (ii) maintains a formal Quality Control Plan that complies with MSI requirements and adheres to those procedures; (iii) currently maintains Errors and Omissions and Fidelity Bond Insurance coverage based on state minimum requirements. You further certify that you will immediately advise MSI in writing of any material change to the information or certifications herein.
- You consent and authorize MSI to send you via facsimile, email, or other similar transmission method, notices, including but not limited to, rate sheets, policy, or procedure notices, announcements or bulletins, and business advertisements.
- I hereby agree that the original signed Mod Corr Agreement remains in effect as modified by any related Mod Corr Announcements and Seller Guide updates which supersede and modify the original signed Mod Corr Agreement.
- It is understood that all information provided to MSI and contained in this application/recertification may be used by MSI to review and maintain the Seller in Good Standing to participate in the MSI Mod Correspondent program. The Seller hereby authorized such use and certifies that by signing the recertification the Seller is granting permission for Strategic Report and/or credit reports, financial background to be ordered on your company and/or personnel in your company.

Authorized Signer:

Signed: _____ Title: _____

Print Name: _____ Date: _____

MSI Use Only:

Received By: _____ Approved By: _____

Date: _____ Date: _____



LO Compensation Compliance Certification

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Compliance Attestation /Certification

Compliance Attestation /Certification

In compliance with the federal Truth in Lending Act, including implementing Regulation Z and the Official Staff Commentary, _____ attests, on behalf of itself that for Loans which will be delivered to Mortgage Services III, LLC for purchase: (1) This Seller has not paid compensation to any loan originator in an amount that is based on a prohibited term or condition, and (2) no consumer has been steered to a product or program on the basis of increased loan compensation for any loan originator.

Seller acknowledges and certifies that it is in compliance with MSI's Representations and Warranties regarding Compensation Arrangements.

Seller affirms that Mortgage Services III, LLC is entitled to rely, and is relying on the Seller to be in full compliance with the current regulations. Seller authorizes Mortgage Services III, LLC, at its discretion, to verify the information with any other sources, and Seller waives any cause of action or claim Seller may have against such sources with respect to any information they may provide.

By: _____
(Authorized Officer Signature)

Print Name: _____

Title: _____ Date: _____

NMLS Loan Origination Company ID: _____

Note: May only be signed by the authorized agent on file with Mortgage Services III, LLC.



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Modified Correspondent Master Loan Purchase And Sale Agreement

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This Master Loan Purchase and Sale Agreement (the "Agreement") made
this ____ day of _____, 20____ by and among _____,

a _____ (describe entity), having its principal office

at _____ (the "Seller"), Mortgage Services III, L.L.C. (MSI), an
Illinois Limited Liability Company having its principal office at 502 North Hershey Road, Bloomington, IL 61704 and First State
Bank, an Illinois Banking Corporation having its principal office at 706 Washington Street, Mendota, Illinois 61342 (the "Buyer").

WHEREAS, Buyer from time to time maintains programs under which the Buyer purchases closed Loans and Loan
Applications originated by third parties;

WHEREAS, the seller is engaged in the business of originating loans secured by first mortgages or deeds of trust on 1-
4 family residential dwellings and, from time to time hereafter, wishes to sell the loans, including the servicing rights thereto
(hereinafter referred to individually as a "Loan" and collectively as "Loans" whether the Loan is the subject of a Loan Application
or is a closed Loan), to Buyer;

WHEREAS, the terms and conditions on which the closed Loans and Loan Applications ("Loan Applications") are to be
originated by the third parties, including but not limited to terms and conditions regarding pricing, underwriting, documentation
and procedures, are listed at www.msiloans.biz (the "MSI Seller Guide");

WHEREAS, Buyer and Seller desire to have a master agreement that will apply to all closed Loans and Loan
Applications that Buyer acquires from Seller;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and undertakings set forth in this
Agreement, the parties hereto agree as follows:

Section 1. Purchases.

This Agreement shall apply to any closed Loan or Loan Application acquired by Buyer from Seller. The closed Loans
and Loan Applications shall conform with all applicable provisions and requirements of: (i) this Agreement, (ii) the program
announcements issued by the Buyer and sent to the Seller from time to time hereafter ("Announcements"), (iii) the MSI Seller
Guide from time to time in effect, and (iv) the loan commitment ("Commitment") which the Buyer will issue to the Seller each time
the Buyer desires to purchase a closed Loan or Loans or Loan Application. (The Agreement, the Announcements, the MSI
Seller Guide and the Commitment, each as may be amended or revised from time to time hereafter, are hereinafter collectively
referred to as the "Contract Documents.") The Buyer reserves the right to amend or modify the Contract Documents from time to
time hereafter in its sole and absolute discretion. Any such amendment or modification will not apply to any closed Loan or Loan
Application for which a Commitment has been issued prior to the effective date of such amendment or modification. The
Contract Documents shall be interpreted in a manner to be consistent with each other to the greatest extent possible, but to the
extent any irrevocable inconsistency exists, the terms of the Commitment shall control over the terms of the other Contract
Documents, the terms of the MSI Seller Guide shall control over the terms of all of the Contract Documents other than the
Commitment and the terms of the Announcements shall control over the terms of all of the Contract Documents other than the
Commitment and the MSI Seller Guide.

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Modified Correspondent Master Loan Purchase And Sale Agreement

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Section 2. Buyer's commitment/Assignments of Trade.

(a) If the Seller desires to sell a closed Loan or a Loan Application to the Buyer, the Seller shall register the Loan with the Buyer, as described in the Contract Documents. If the Buyer wishes to purchase the registered closed Loan or Loan Application, the Buyer will issue a Commitment to the Seller to purchase the closed Loan or Loan Application. Upon the issuance of a Commitment, and subject to the terms and conditions of the Contract Documents, the Buyer shall be obligated to purchase the closed Loan or Loan Application from the Seller and the Seller shall be obligated to sell the Loan or Loan Application to the Buyer.

(b) This section is intentionally left blank.

Section 3. Buyer not Obligated to Fund.

Notwithstanding anything to the contrary contained in this Agreement, Buyer shall have no obligation to purchase any closed Loan or to fund any Loan Application submitted to it by Seller and may, at its sole discretion, accept or deny any Loan submitted by Seller. Buyer may require Seller to comply with certain conditions prior to funding any Loan. Buyer's investigation or failure to conduct an independent investigation with respect to some or all of the information regarding a Loan shall not affect or modify the representations, warranties and covenants made by Seller under this Agreement, or the rights and remedies available to Buyer upon a breach thereof.

Section 4. Purchase Price.

The purchase price for a closed Loan shall be set forth in a Lock Confirmation and the Commitment, as adjusted in the manner described in the Contract Documents. The purchase price for any Loan shall be paid to the Seller upon receipt and approval by the Buyer of the loan file as outlined in the Contract Documents for the purchased Loan (a "Loan File"). The Buyer reserves the right to change the purchase price for a closed Loan at any time during the term of this Agreement by mailing a revised Lock Confirmation to the Seller. Such revised Lock Confirmation shall become effective upon the date specified in the revised Lock Confirmation, however, any changes in the purchase price shall not apply to any Loan for which a Commitment has been issued prior to the effective date of the revised Lock Confirmation, provided the Loan(s) are delivered within the original Commitment deadline. The Purchase Price for a Loan Application shall be the price established from time to time by and between Seller and Buyer for Loan Applications. The Purchase Price for a Loan Application shall be paid after the Loan has been closed by Buyer and all post closing conditions have been satisfied.

Section 5. Underwriting & Processing.

The Buyer's obligation to purchase any closed Loan or Loan Application is conditioned upon the approval of such Loan by: (a) MSI Underwriting or, (b) one of Seller's underwriters, if Seller is expressly approved by Buyer for delegated underwriting, the underwriter shall underwrite the Loan in accordance with the underwriting standards set forth in the Contract Documents. In addition, Seller either shall process each application for a Loan whether MSI is purchasing the Loan or only the Loan Application in accordance with generally accepted prudent standards, or shall submit the application to Buyer for processing in which case Seller shall pay Buyer a processing fee equal to the amount referenced on the current published Fee Sheet.

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Modified Correspondent Master Loan Purchase And Sale Agreement

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Section 6. Seller's General Representations and Warranties.

The Seller hereby represents and warrants, as of the date hereof and as of the date of the issuance of each Commitment, as follows:

(a) The Seller is a depository institution as defined by the Federal Depository Insurance Act or a credit union insured by the National Credit Union Insurance Fund or a subsidiary owned and controlled by such a depository institution or credit union that is regulated by a federal agency .

(b) The Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has the corporate power and authority to perform its obligations under this Agreement.

(c) The Seller holds all applicable federal, or state or other licenses, authorizations or approvals, including, without limitation, the authorizations and approvals of FHA, Department of Veterans Affairs ("VA"), FNMA, FHLMC or Government National Mortgage Association ("GNMA"), as are reasonably necessary to perform its obligations under this Agreement in compliance with applicable law and secondary market requirements, and is not in violation of any of the requirements of any such licenses, authorizations and approvals.

(d) The execution, delivery and performance of this Agreement (including all instruments of transfer to be delivered pursuant to this Agreement) have been duly and validly authorized by all requisite action on the part of the Seller, and if the Seller is a depository institution, this Agreement will be maintained in the Seller's official records. The consummation of the transactions contemplated by this Agreement are in the ordinary course of business of the Seller, and the transfer, assignment and conveyance of the notes and mortgages relating to the Loans by the Seller pursuant to this Agreement are not subject to bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

(e) This Agreement is the legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable liquidation, conservatorship, bankruptcy, insolvency, rearrangement, moratorium, reorganization or similar debtor relief laws affecting the rights of creditors generally.

(f) There is no proceeding, action, investigation, or litigation pending or, to the best of the Seller's knowledge, threatened against the Seller which, individually or in the aggregate, may have a material adverse effect on this Agreement or on any action taken or to be taken in connection with the Seller's obligations contemplated herein, or which would be likely to impair materially its ability to perform under the terms of this Agreement.

(g) No consent, approval, authorization or order or, registration or filing with, or notice to, any governmental authority or court is required (except with respect to the recordation of the assignment of the mortgages or deeds of trust) under federal laws, or the laws of any jurisdiction, for the execution, delivery and performance of, or compliance by the Seller with, this Agreement or the consummation of any other transaction contemplated hereby.

(h) All information and documentation given the Buyer by the Seller or its agents, both in connection with the approval of the Seller to enter into this Agreement and thereafter, was or will be true and correct as of the date it was or is given and the Seller will promptly inform the Buyer of any material change involving any previously submitted information or documentation.

(i) No representation, warranty or written statement made by or on behalf of the Seller in this Agreement, or in any schedule, exhibit, report, written statement, certificate or other document furnished by the Seller in connection with the transactions contemplated herein contains or will contain any untrue statement of a material fact or omits to state a material fact to make the statements contained herein or therein not misleading.

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Modified Correspondent Master Loan Purchase And Sale Agreement

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Section 7. Seller's Loan Representations and Warranties.

The Seller hereby further represents and warrants as follows, with respect to each closed Loan and Loan Application sold to the Buyer by it, as of the date of the purchase of the closed Loan or Loan Application as appropriate:

(a) The Loan was originated by the Seller or by a subsidiary of the Seller or by a HUD loan correspondent sponsored by the Seller, unless otherwise permitted in the Contract Documents or provided in rate lock confirmation hereto.

(b) For closed Loans purchased by Buyer, the Loan was originated, closed and transferred to the Buyer in full compliance with all federal, state and local laws and regulations, including, without limitation, the Real Estate Settlement Procedures Act, Truth-in-Lending Act, Equal Credit Opportunity Act, Housing Act, Home Mortgage Disclosure Act, Soldiers' and Sailors' Relief Acts and other consumer protection and applicable disclosure requirements. The Loan and the loan purchase transaction to be consummated in connection therewith conform to all applicable provisions and requirements of the Contract Documents. For Loan Applications purchased by Buyer, the Loan was originated by Seller in full compliance with all federal, state and local laws and regulations, including, without limitation, the Real Estate Settlement Procedures Act, Truth-in-Lending Act, Equal Credit Opportunity Act, Housing Act, Home Mortgage Disclosure Act, Soldiers' and Sailors' Relief Acts and other consumer protection and applicable disclosure requirements.

(c) Each Government Loan conforms with all applicable FHA or VA lending, selling and servicing requirements and to all GNMA requirements for the inclusion of the Loan in a GNMA MBS pool, and the Seller will comply with all documentation requirements of the Buyer and the document custodian within the time limitations described in the Contract Documents. If a commitment requires the Loan to be FHA-insured, the Loan is or will be fully eligible for FHA insurance and is, or within 45 days after disbursement of the proceeds will be, fully insured by the FHA. If a Commitment requires the Loan to be guaranteed by the VA, the Loan is fully eligible for VA guaranty, and is, or within 45 days after disbursement of the proceeds by the Seller will be, fully guaranteed by the VA.

(d) For each Conventional Loan (all Loans, including Jumbo Loans [defined below], other than Government Loans) conforms with all applicable requirements of the Agencies or applicable Investor, including, but not limited to, all requirements for the inclusion of such Conventional Loans in the FHLMC Guarantor Program and/or the FNMA Mortgage-Backed Security Loan Program, and each Conventional Loan conforms with all pooling requirements of the Agency or Investor. The Seller will comply with all documentation requirements of the Buyer and the document custodian within the time limitations described in the Contract Documents. If a Commitment requires the Loan to be insured by a policy of private mortgage insurance, the Loan is fully eligible and qualified to be insured by such policy of private mortgage insurance, such policy is in full force and effect, and no event or condition exists which could give rise to or result in a revocation of or defense to the policy.

(e) Immediately prior to the transfer and assignment of the closed Loan or Loan Application to the Buyer, the Seller was the sole owner of the closed Loan or Loan Application, with good and marketable title to the closed Loan or Loan Application, and had the full right, title and authority, subject to no interest or participation of, or agreement with, any other party (other than a warehouse lender whose identity has been made known to Buyer), to see, transfer and assign the closed Loan or Loan Application to the Buyer, and there has been no other sale, transfer, or assignment of security interest granted by the Seller to any other party, nor are there any other restrictions limiting the transfer of the closed Loan or Loan Application.

(f) For each closed Loan purchased by Buyer, the payment due date of the Loan is the first day of the month, interest on the Loan is computed in arrears with payments (which may be reset periodically) sufficient to fully amortize the Loan by the stated maturity date over an original term of not more than thirty years from commencement of amortization, the late charge on the Loan is the lesser of five (5) percent of the monthly payment or the amount permitted under state law, and the borrower is required to make monthly escrow payments for real estate taxes and insurance premiums unless restricted by law in the state where the Loan was originated.

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(g) For each closed Loan purchased by Buyer, the Proceeds of the Loan have been fully disbursed, there is no requirement for future advances thereunder, any and all requirements as to completion of any on-site or off-site improvements have been complied with, any disbursements of any escrow funds have been made, all costs, fees and expenses incurred in making or closing the Loan and recording the mortgage or deed of trust have been paid, the mortgage insurance premium or the VA Guaranty fee has been paid as applicable, and the mortgagor is not entitled to any refund of any amounts paid or due under the note or the mortgage or deed of trust.

(h) For each closed Loan purchased by Buyer, as of the date of purchase of the Loan, the Loan is current and all payments have been made within the month such payments were due. To the best of the Seller's knowledge, there is no default, breach, violation or event of acceleration existing under the mortgage or deed of trust or the note and no event which, with the passage time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration under the mortgage or deed of trust or the note.

(i) For each closed Loan purchased by Buyer, as of the date of purchase of the Loan, there is no offset, defense or counterclaim to the note or mortgage or deed of trust, including the obligation of the mortgagor to pay the unpaid principal and interest on such note. As of the date of purchase of the Loan, there are no mechanics' liens or claims which affect the lien priority of the mortgage or deed of trust relating to the Loan.

(j) For each closed Loan purchased by Buyer, as of the date of purchase of the Loan, there is no delinquent tax or assessment lien against the property securing the Loan, and the Seller has paid all property tax bills which are or will become due within 60 days of the date of delivery of the Loan File to the Buyer.

(k) The Seller has not, and to the best of the Seller's knowledge no person has, advanced any funds for and on behalf of a mortgagor for the purpose of enabling the mortgagor to make any required payments on the Loan, or any tax, insurance, special assessment, sewer, utility or similar payments with respect to the property securing the Loan, and no subordinate financing was used in the mortgagor's acquisition of the property securing the Loan other than subordinate financing acceptable to FNMA, FHLMC, GNMA, HUD, VA or applicable Investor pursuant to their requirements in effect at the time of purchase of the Loan by the Buyer.

(l) The origination and other practices used with respect to the Loan comply with the terms of the Contract Documents, and have been, in all respects, legal and proper.

(m) For each closed Loan purchased by Buyer, all escrow payments are in the possession of the Seller and there exists no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made, and no escrow payments or other charges or payments due the Seller have been capitalized under the mortgage or deed of trust or the note.

(n) There is no pending litigation and, to the best of the Seller's knowledge, no threatened litigation, which may affect in any way, by attachment or otherwise, the title or interest of the Seller in and to the Loan or Loan Application, the property securing the Loan, or any related note or security instrument.

(o) For each closed Loan purchased by Buyer, the note and the mortgage or deed of trust is genuine and each is the sole legal, valid and binding obligation of the maker thereof, enforceable in accordance with their respective terms. All parties to the note and the mortgage or deed of trust had the legal capacity to execute and deliver the note and the mortgage or deed of trust, and the note and the mortgage or deed of trust have been duly and properly executed by such parties. The note is not and has not been secured by any collateral except the mortgage or deed of trust.

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(p) For each closed Loan purchased by Buyer, the terms of the note and mortgage or deed of trust have not been impaired, waived, altered or modified in any respect, except by a written instrument which has been recorded, if necessary, to protect the interest of the Buyer. The substance of any such waiver, alteration or modification has been approved by the issuer of any related private mortgage insurance policy and the title insurer, to the extent required by the title insurance policy. No mortgagor has been released, in whole or in part, except in connection with an assumption agreement approved by the issuer of any related private mortgage insurance policy and the title insurer to the extent required by the policy.

(q) For each closed Loan purchased by Buyer, the mortgage or deed of trust contains a provision for the acceleration of the payment of the unpaid principal balance of the note in the event that the property securing the Loan is sold or transferred without the prior written consent of the mortgagee thereunder, unless otherwise permitted in accordance with the terms of the Contract Documents.

(r) For each closed Loan purchased by Buyer, the mortgage or deed of trust has not been satisfied, canceled, subordinated or rescinded, in whole or in part, and the property securing the Loan has not been released from the lien of the mortgage or deed of trust, in whole or in part, nor has any instrument been executed that would affect any such release, cancellation, subordination or rescission, except as permitted by FNMA, FHLMC, GNMA, VA, FHA or Investor applicable guidelines and except which does not materially and adversely affect the value of the property securing the Loan.

(s) For each closed Loan purchased by Buyer, in the event the Loan is secured by a deed of trust, a trustee, duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named therein, and no fees or expenses are or will become payable by the buyer to the trustee under the deed of trust, except in connection with a trustee's sale after default by the mortgagor.

(t) For each closed Loan purchased by Buyer, each mortgage or deed of trust is a valid first lien on the property securing the Loan and is insured by (i) an American Land Title Association ("ALTA) lenders' loan title insurance policy issued by an underwriter acceptable to the Buyer or (ii) the type of policy uniformly acceptable where ALTA policies are not available, which policy is subject only to the lien of current real estate taxes and assessments, and covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such mortgage or deed of trust, such exceptions appearing of record and being acceptable to mortgage lending institutions generally or specifically reflected in the survey of the property securing the Loan. The title insurance policy relating to the Loan is in full force and effect and will be in force and effect upon the consummation of the transactions contemplated by this Agreement. No claims have been made under such title insurance policy.

(u) For each closed Loan purchased by Buyer, the property securing the Loan consists of a single parcel of real property with a detached single family residence erected thereon, or a two-to-four-family dwelling, an individual condominium unit, or an individual unit in a planned unit development. Such property meets the criteria for eligible property described in the Contract Documents. No portion of the property securing the Loan is used for commercial purposes.

(v) For each closed Loan purchased by Buyer, the property securing the Loan is occupied by the mortgagors unless otherwise authorized in rate lock confirmation of this Agreement, and is free of damage, waste and environmental hazards; the property and its improvements are not in violation of any applicable zoning law or regulation, and there is no proceeding pending for the total or partial condemnation thereof.

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(w) For each closed Loan purchased by Buyer, the property securing the Loan is insured by a hazard insurance policy meeting the standards as described in the Contract Documents, is issued by an insurer acceptable to the Buyer, and names the Buyer, in the mortgagee clause. The mortgage or deed of trust obligates the mortgagor thereunder to maintain the hazard insurance policy at the mortgagor's cost and expense, and on the mortgagor's failure to do so authorizes the holder of the mortgage to obtain and maintain such insurance at such mortgagor's cost and expense, and to seek reimbursement therefor from the mortgagor. The Seller has not engaged in, and has no knowledge of the mortgagor's having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for herein, or the validity and binding effect of the policy. If the property is located in a flood hazard area, the property is insured by a flood insurance policy, and all federal, state and local requirements with respect to both hazard and flood insurance have been complied with in all material respects.

(x) No action, error, omission, misrepresentation, negligence, fraud or similar occurrence with respect to the Loan has taken place on the part of any person, including, without limitation, the mortgagor, any appraiser, any builder or developer or any party involved in the origination of the Loan or in the application for any insurance relating to such Loan that might result in a denial, failure or impairment of full and timely coverage under any insurance policies required to be obtained or any pool insurance policy covering the Loan.

(y) The appraiser for the Loan was duly licensed or certified under the applicable law where the Loan was originated and for each Government Loan was acceptable to the FHA or VA, as applicable, and for each Conventional Loan was acceptable to FNMA, FHLMC or the Investor, as applicable. The Seller will maintain documentation evidencing each appraiser's qualification and licensing or certification, which will promptly be provided to the Buyer upon request.

(z) The appraisal used in connection with the origination of the Loan was ordered, performed and rendered in accordance with the requirements of all laws and regulations relating to the origination of the Loan and the purchase of the Loan by the Buyer, including, but not limited to, the provisions of the Financial Institution Reform, Recovery and Enforcement Act.

(aa) Except as set forth in the Contract Documents, all improvements that were included in the determination of the appraised value of the property securing or to secure the Loan lie wholly within the boundaries and building restriction lines of the property, and no improvements on adjoining properties encroach upon the property securing the Loan.

(bb) With respect to a Conventional Loan with an original principal balance in excess of the amount which would permit such Loan to be eligible for a FHLMC or FNMA program (a "Jumbo Loan"), there are no circumstances or conditions with respect to (i) the mortgage or deed of trust relating to such Jumbo Loan, (ii) the property securing such Jumbo Loan, (iii) the mortgagor or (iv) the mortgagor's credit standing, that may result in any applicable private Investor to regard such Jumbo Loan as an unacceptable investment, cause such Jumbo Loan to become delinquent, or adversely affect the value or marketability of such Jumbo Loan.

Section 8. Loan Repurchase.

(a) In addition to any other remedies to which Buyer may be entitled, Seller agrees to repurchase any Loan upon demand in the following circumstances:

(i) The Seller breaches any representation, warranty or covenant in this Agreement, or a Loan otherwise fails to conform with the applicable requirements for such Loan as set forth in the Contract Documents;

(ii) This section is intentionally omitted

(iii) A loan documentation problem exists which occurred prior to the date the Loan File was delivered to the Buyer, regardless of when the defect was discovered;

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(iv) Any payment defaults, 30 days or greater, (A) during the first 90 days following the Buyer's purchase of a closed loan or (B) during the first 90 days following the closing of a Loan for which the Buyer purchased the Loan Application.

(v) Any Agency or any other Investor to whom the Buyer sells a Conventional Loan or related security requires the Buyer to repurchase such Conventional Loan because: (1) the Conventional Loan fails to meet eligibility requirements, or (2) of a breach of a representation or warranty relating to the origination of the Conventional Loan, as established by the applicable Agency or Investor and published in the FNMA Guide, FHLMC Sellers and Servicers Guide, applicable Investor Guide, or any Agency or Investor Program Announcement (herein collectively referred to as the "Guide").

(b) In the event of a repurchase demand from an Agency or Investor, the Seller may ask the Buyer to submit further information to the Agency and to request that the Agency or Investor reconsider its repurchase request. The Buyer may make such request unless the Buyer believes in good faith that there is no basis to request reconsideration or that such request would be injurious to its business relationship with the Agency or Investor. The Buyer's determination with respect to any such submission shall be final.

(c) The repurchase price for any Loan repurchased pursuant to this Section 7 shall be the purchase price paid by the Buyer or the price Buyer is required to pay to repurchase the Loan from the Agency or Investor, whichever is higher, plus any accrued interest and other amounts which the Buyer has been required to advance on the Loan and, in the case where Buyer purchased the Loan Application, the amount paid by Buyer for the Loan Application and in the case where Buyer purchased a closed Loan, any amount paid by Buyer for the Loan in excess of the unpaid principal balance of the Loan. The Loan shall be repurchased by the Seller no later than ten (10) business days after the receipt by Seller of a written demand to repurchase. The Buyer may, at its option, withhold the payment of any amount payable to Seller for subsequent Loans until such time as the Seller has complied with all outstanding demands for repurchase price for subsequent Loans until such time as the Seller has complied with all outstanding demands for repurchase and provided all delinquent loan documentation.

(d) In the event that any closed Loan purchased by Buyer is paid in full, within 200 days of the date such Loan was purchased by the Buyer, or in the event any Loan for which Buyer purchased the Loan Application is paid in full during the first 200 days following the closing of the Loan, the Seller shall repay the premium for the closed Loan and the purchase price for the Loan Application paid by the Buyer.

(e) The Buyer may elect, in its sole discretion, to waive this repurchase requirement upon such terms and conditions as the Buyer may establish, provided however, that any such election by the Buyer as to such waiver shall not be deemed a waiver of the Buyer's right to enforce the provisions of this Section 7 as to any other Loan.

Section 9. Liquidated Damages for Failure of Delivery.

If the Seller fails to deliver a closed Loan or a Loan Application to the Buyer within the time requirements applicable to the Loan as set forth in the Contract Documents, the Seller shall pay to the Buyer, as liquidated damages, in addition to such other amounts as may be due to the Buyer under other sections of this Agreement, that amount which is described in the Contract Documents. Such amount shall be paid to the Buyer not later than ten (10) business days after receipt of written demand therefore by the Seller.

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Section 10. Indemnification.

(a) The Seller hereby agrees to indemnify and hold the Buyer and its officers, directors, employees and representatives harmless against any and all claims, losses, expenses, costs, obligations and liabilities, including reasonable attorney's fees and expenses, which result or arise from the breach of any representation or warranty of the Seller, or default in the performance of any covenant of the Seller, contained in this Agreement, or any gross negligence or willful misconduct by Seller in connection with Seller's obligations under this Agreement. The Seller further agrees to indemnify and hold the Buyer and its officers, directors, employees and representatives harmless against any and all claims, losses, expenses, costs, obligations and liabilities, including reasonable attorney's fees and expenses, resulting from: (i) any Loan that fails to conform with the applicable requirements established by the Buyer, (ii) the Seller's failure to deliver the Loan File within the time period required by the Contract Documents, (iii) a Loan that is not eligible for sale or pooling by the Buyer, (iv) the default by any Approved Dealer on a mandatory delivery commitment assigned by the Seller to the Buyer, or (v) the origination or servicing (prior to transfer of servicing to the Buyer) of the Loan, including, but not limited to, losses incurred from the withdrawal or reduction of insurance by the FHA, VA or any mortgage insurance company on any Loan, losses resulting from the violation of any local, state or federal law, losses caused by errors in servicing, and losses resulting from missing or incorrect loan documentation. This indemnification is in addition to any other rights and remedies to which Buyer is entitled.

(b) The Buyer hereby agrees to indemnify and hold the Seller and its officers, directors, employees and representatives harmless against any material breach by the Buyer of this Agreement, or any gross negligence or willful misconduct in connection with the Buyer's servicing of the Loan.

(c) Promptly upon receipt of notice of any claim, demand or assessment from a third party or the commencement of any suit, action or proceeding by a third party in respect of which indemnity may be sought on account of an indemnity agreement contained in this Section 9, the party seeking indemnification (the "Indemnitee") will give written notice thereof, within sufficient time to respond to such claim or answer or otherwise plead in such action, and in any event within thirty (30) days after receipt of such notice, to the party from whom indemnification is sought (the Indemnitor). Except to the extent that the Indemnitor is prejudiced thereby, the omission of such Indemnitee so to notify promptly the Indemnitor of any such claim or action shall not relieve such Indemnitor from any liability which it may have to such Indemnitee in connection therewith on account of the indemnity agreement contained in this Section 9. In case any claim, demand or assessment shall be asserted or suit, action or proceeding commenced against an indemnitee, it shall promptly notify the Indemnitor of the commencement thereof, the Indemnitor will be entitled to participate therein, and, to the extent that it may wish, to assume the defense, conduct or settlement thereof, with counsel approved by the Indemnitee (which approval will not unreasonably be withheld). After notice from the Indemnitor to the Indemnitee of its election so to assume the defense, conduct or settlement thereof and provided the Indemnitor proceeds diligently and fulfills its obligations to defend and pay the cost thereof and keeps Indemnitee informed of the progress thereof, the Indemnitor will not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense, conduct or settlement thereof.

(d) With respect to claims for indemnity hereunder by the Buyer or the Seller not related to claims by third parties, no party shall have any liability hereunder for any breach of warranty or for misrepresentation, except to the extent written notice thereof shall be given to the Indemnitor within a reasonable period of time after the party seeking indemnity has actual knowledge thereof. The Indemnitor shall respond to any such claim in writing within ten (10) business days, or as soon thereafter as practicable, which response shall set forth (i) the extent to which such claim is conceded, (ii) the extent to which such claim is disputed, both as to subject matter and amount, and (iii) the basis for disputing any such claim.

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Section 11. Buyer's Right of Offset.

In addition to those rights set forth in section 7 hereof, in the event that the Seller fails to pay the Buyer any sums which are owed to the Buyer by the Seller pursuant to the terms of this Agreement or any other loan purchase agreement between the Seller and Buyer (including Buyer's predecessors and affiliates), the Buyer shall be permitted to offset such sums from any amounts which are due or become due to the Seller pursuant to the terms of this Agreement.

Section 12. Termination.

(a) The Buyer may, in its sole discretion and upon seven (7) days' prior written notice to the Seller, terminate its obligations hereunder without liability whatsoever to the Seller or any other person for claims, losses, expenses, costs, obligations and liabilities arising directly or indirectly therefrom. In the event of such termination, the Seller shall nevertheless deliver to the Buyer all Loans for which Commitments have been issued by the Buyer. Such termination shall not affect the Seller's duties and obligations with regard to any Loans purchased by the Buyer prior to the date of termination.

(b) In addition to any other rights and remedies to which the Buyer is entitled, the Buyer may, in its sole discretion, immediately terminate its obligations hereunder without liability whatsoever to the Seller or any other person for claims, losses, expenses, costs, obligations and liabilities arising directly or indirectly therefrom, in the event of (i) Seller entering into state or federal bankruptcy or insolvency proceedings, (ii) the Seller's breach of any representation or warranty or default in the performance of any covenant in this Agreement or in any other loan purchase agreement between the Seller and buyer (including Buyer's predecessors and affiliates), including but not limited to Seller's failure to repurchase any Loan in accordance with Section 8 of this Agreement. In the event of termination pursuant to the terms of this Section 12(b), the Buyer may, at its option, either: (i) refuse to accept delivery of any additional Loans for which Commitments have been issued, or (ii) require the Seller to deliver the additional Loan(s) which the Buyer has committed to purchase and withhold the payment of any Net Premium for such Loan(s) until such time as the Seller has fully performed all of its duties and obligations as to all Loans sold to the Buyer hereunder.

Section 13. Miscellaneous Covenants.

(a) All demands, notices and communications hereunder shall be in writing and be deemed to have been given if mailed or delivered to the applicable party at the address shown on the first page of this Agreement, or such other address as may hereafter be furnished to the other parties by like notice.

(b) This Agreement shall supersede and replace any prior written or oral agreement between the parties concerning the purchase of Loans by the Buyer, although any such Loans purchased by the buyer from the Seller prior to the date of this Agreement shall continue to be governed by the terms of any prior agreement pertaining thereto. No term or provision of this Agreement may be waived or modified unless in writing and agreed to by all parties hereto.

(c) The Seller shall not assign its interest in this Agreement without the prior written Consent of the Buyer.

(d) This Agreement shall be construed with and governed by the laws of the State of Illinois applicable to contracts made and to be performed therein without regard to the principles of conflict of laws. The parties agree that venue for any dispute arising hereunder shall be state or federal court in McLean County, Illinois.

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(e) Nothing herein contained shall be deemed or construed to create a partnership or joint venture between the parties hereto, and the Seller shall not represent that it is the Buyer's agent for any purpose. Prior to when Buyer issues a Commitment, Seller shall not make any representation to the effect that Buyer has approved a Loan applicant. Seller shall make clear to each applicant that any terms quoted by Seller are for guidance purposes only and that the same shall not necessarily be the terms that shall apply if and when Buyer approves a Loan. Seller acknowledges that it is not authorized to approve a Loan on Buyer's behalf and shall not make any representation to an applicant that it is so authorized.

(f) The Seller shall, from time to time hereafter, upon request of the Buyer and without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, all such further acts, deeds, assignments, documents, instruments, transfers and assurances as the Buyer may reasonably request to confirm and perfect the Buyer's right, title, and interest in and to, and possession of, the Loans and the Loan Files. With respect to any Government Loan, upon request, the Seller shall provide the Buyer with copies of the case binder submitted to the FHA or the insuring package submitted to the VA, as the case may be. In the event Seller fails to deliver timely to Buyer documents necessary for Buyer to have custody of complete Loan Files, or if Buyer otherwise deems itself insecure with the prospect of obtaining such follow-up documents (e.g., assignments, registered deeds, insurance application packages, mortgage insurance certificates) timely from Seller, Buyer has the right hereunder to present itself during business hours, upon reasonable notice, at the offices of Seller and retrieve into Buyer's custody such documents.

(g) All representations, warranties and covenants on the part of the Seller contained in this Agreement or given pursuant hereto shall survive any termination of this Agreement and the closing of the loan purchase transactions herein contemplated and shall remain in full force and effect, regardless of such termination or the closing dates of said transactions.

(h) Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Contract Documents. Section heading names are for convenience only.

(i) The Seller will provide the Buyer with annual audited financial statements within 90 days after the Seller's fiscal year-end prepared by independent certified public accountants in accordance with generally accepted accounting principles, and with such other financial information as is reasonable requested by the buyer in connection with the purchase of Loans from the Seller pursuant to this Agreement.

(j) The Seller will maintain a quality control system acceptable to the Buyer, in its sole discretion, and will promptly provide to the Buyer upon request copies of all internal and external reports relating to Loans purchased by the Buyer pursuant to this Agreement.

(k) The Seller will maintain in full force, as described in the Contract Documents, errors and omissions and fidelity bond insurance coverage in such amount as the buyer shall reasonably require to indemnify the Buyer from any loss or damage incurred in connection with the transactions contemplated by this Agreement and shall provide evidence of such coverages to the Buyer annually.

(l) Upon reasonable notice and during regular business hours, the Seller hereby agrees to allow the Buyer to review all of the books and records of the Seller relating to Loans purchased under the Agreement.

(m) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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Section 14. Several Obligations.

Notwithstanding any provision in this Agreement or the contract Documents to the contrary, the rights, remedies, benefits, duties and obligations of Buyer and any of its affiliates hereunder are several and not joint and several. Buyer does not assume any obligations or duties of any of its affiliates with respect to any Loans purchased by any such affiliate from the Seller either prior to or after the date of this Agreement.

IN WITNESS WHEREOF, The parties have executed this Agreement in duplicate as of the day and year first above written.

Mortgage Services III, L.L.C.
A wholly owned subsidiary of First State Bank Member FDIC

Company Name

By: _____
Rene Shaffer, President/CEO/COO

By: _____
(Authorized Signer)

Print Name/Title

First State Bank, an Illinois Banking Corporation

By: _____
Rene Shaffer, Designee