



Modified Correspondent Application Instructions

Contents of the Application Package	
<ul style="list-style-type: none"> ✓ Application Instructions ✓ Modified Correspondent Application ✓ Correspondent Loan Purchase and Sale Agreement ✓ Specific Power of Attorney ✓ LO Compensation Compliance Attestation/ Certification ✓ Lender Paid Compensation Agreement (if obtaining a Wholesale Number for FHA) ✓ FHA Sponsored Originator Package ✓ FHA Principal and Authorized Agent Agreement 	<ul style="list-style-type: none"> ✓ VA Authorized Agency Cover Letter and Agreement ✓ Fax/E-Mail Permission Form ✓ Parent Guarantee ✓ Resolution Board of Directors ✓ Certification for Resolution ✓ Company Contact Information ✓ W-9 ✓ MSI Correspondent Approval Tiers – See the Eligibility Chapter in the Seller Guide for full details. (www.msiloans.biz – Choose the Modified Correspondent link.)
Additional Information Required	
<p>Check included items and include this in your return package.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Completed/executed Items from the above Contents, as applicable to your application: <input type="checkbox"/> Resumes of Principal Officers <input type="checkbox"/> For non-banks or credit unions: Documentation of personal identification for each “principal” noted in the “Principal Information” section of the Application. <ul style="list-style-type: none"> ○ Copy of current Driver’s License <input type="checkbox"/> Most Recent Financial Statements <ul style="list-style-type: none"> ○ Audited if FHA Approved ○ If older the six months must additionally provide current Balance Sheet and P&L <input type="checkbox"/> Copy of All Current Mortgage Lending Licenses and/or Exemption Letters (If Applicable) <input type="checkbox"/> Copy of current State or Federal Tax Identification Number documentation. <input type="checkbox"/> Articles of Incorporation, Articles of Organization, Partnership Agreement. <ul style="list-style-type: none"> ○ (N/A for Banks or Credit Unions) <input type="checkbox"/> Proof of Fidelity Bond and Errors & Omissions Insurance <i>and/or</i> Surety Bond as required by your state regulations. <input type="checkbox"/> Copy of Master Bailment Letter for each Warehouse Bank used. <input type="checkbox"/> Information required by FHA Sponsorship Package, if applicable. <input type="checkbox"/> Delegated Underwriting – To request Delegated Underwriting Authority, see Sellers Requesting Delegated Underwriting Authority, Additional Requirements for details. 	
Instructions for Application	
<ul style="list-style-type: none"> <input type="checkbox"/> Completely fill out all documents (as applicable to your business) provided in the Modified Correspondent Application Package <input type="checkbox"/> Collect the supporting information listed in the section above. <input type="checkbox"/> Package all information, include this Instruction Sheet, and return to either your Account Executive or the address below <p style="text-align: center;"> Mortgage Services III, L.L.C. 502 North Hershey Road Bloomington, IL 61704 Attn: Ketra Hay (khay@msiloans.biz) </p>	

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Modified Correspondent Application Instructions

Sellers Requesting Delegated Underwriting Authority, Additional Requirements

Conforming Delegated Underwriting- Information Required

Check Items included items and include this in your return package if you are requesting Conforming Delegated Underwriting Authority.

- ✓ Lenders that want to participate in Delegated Underwriting must submit the following documentation in form and substance acceptable to MSI:
 - List of repurchases and indemnifications required by investors and/or agencies for the previous calendar year and year to date, with explanations;
 - Last two months completed quality control reports, including Early Payment Default analysis;
 - Lender performance reports from primary investors (not required for “financial institutions”);
 - Resumes of key underwriting personnel, including underwriting managers and supervisors and quality control manager.
 - Underwriters designated by Lenders must be acceptable to MSI; therefore underwriter resumes must be submitted with the application packages. The approval process will include not only specific approval of the Lender, but also review and acceptance of the underwriter.

Government Delegated Underwriting- Information Required

Check Items included items and include this in your return package if you are requesting “Government” Delegated Underwriting Authority.

- ✓ FHA/VA or USDA Delegated Authority – MSI requires written documentation from the applicable agency evidencing delegated underwriting authority. MSI requires annual recertification of approval:
 - Seller must meet current guidelines for each applicable agency and must have a minimum Net Worth of \$500,000, unless a higher Net Worth is required by the applicable agency.
 - FHA – must be a “Full Eagle” (Unconditional Direct Endorsement) with FHA and have a DE Underwriter on staff. Provide written supporting documentation from FHA and provide the FHA Underwriter’s Resume with FHA CHUMS number.
 - VA – Must be VA Delegated (VA Automatic-with lender’s VA lender ID#), with a VA Underwriter on staff. Provide written supporting documentation from VA and provide the VA Underwriter’s Resume (with SAR number).
 - USDA – Must be USDA Delegated, with a USDA Underwriter on staff. Provide written supporting documentation from USDA and provide the USDA Underwriter’s Resume.



Modified Correspondent Application

Account Executive:

Applicant Information			
Legal Name of Company:			
DBA:		Company Tax ID#:	
Mailing Address:		# Of Branches:	Loan Origination Software:
Main Phone:		Main Fax:	
Primary Contact:		Secondary Contact:	
Phone:		Phone:	
Fax:		Fax:	
Email:		Email:	
Destination for Daily Rates: <input type="checkbox"/> Fax <input type="checkbox"/> Email		Rates Fax # or Email Address:	
Date Incorporated:		State of Incorporation:	
Business Type: <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Wholly-Owned Subsidiary	<input type="checkbox"/> Banker <input type="checkbox"/> Bank <input type="checkbox"/> Credit Union	Banker: <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> LLC or <input type="checkbox"/> Inc.	Bank: <input type="checkbox"/> National <input type="checkbox"/> State <input type="checkbox"/> Community
Lender License Information			
Name License Issued to (Home State):			
License Number:		Date Issued:	Expiration Date:
NMLS# (Required):		Date Issued:	NMLS Expiration Date:
Regulatory Information – If Applicable			
Primary Regulator: <input type="checkbox"/> FDIC <input type="checkbox"/> OTS <input type="checkbox"/> OCC <input type="checkbox"/> FRB <input type="checkbox"/> NCUA			
FDIC Cert Number:		NCUA ID Number:	
Affiliation: <input type="checkbox"/> ICBA <input type="checkbox"/> ACB			

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Mortgage Services III, LLC
 A Subsidiary of First State Bank Member FDIC

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Principal Information				
Name:	Title:	SS #:	Birth Date:	% Owned
Name:	Title:	SS #:	Birth Date:	% Owned
Name:	Title:	SS #:	Birth Date:	% Owned
Wire Instructions				
Destination Bank:		Destination ABA#:		
Acct. Name to be Credited:		Acct. # to be Credited:		
Bank Phone #:		Bank Fax #:		
Agency Approvals				
Agency	Seller/Service #	<u>And</u> Date Approved:	Has your company ever been suspended or your approval status been subject to disciplinary actions? If yes, explain:	
<input type="checkbox"/> FHA <input type="checkbox"/> Direct Endorsement			<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> VA <input type="checkbox"/> Automatic Approved			<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Fannie Mae			<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Freddie Mac			<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> GNMA			<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Other (specify)			<input type="checkbox"/> Yes <input type="checkbox"/> No	

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Production		
YTD Production:	% Conv:	% Gov't
Previous Year Production:	% Conv:	% Gov't
Current Investors/References		
Company:	Contact Name/Phone:	% & \$ Volume of loans sold:
Company:	Contact Name/Phone:	% & \$ Volume of loans sold:
Company:	Contact Name/Phone:	% & \$ Volume of loans sold:
Company:	Contact Name/Phone:	% & \$ Volume of loans sold:
Signatures and Acknowledgements		
It is understood that all information provided to MSI and contained in this application may be used by MSI to review and approve the applicant to participate in the MSI Correspondent program. The applicant hereby authorizes such use and certifies that by signing the application the applicant is granting permission for MARI reports and/or a credit report to be ordered on your firm and/or personnel in your firm.		
Signed:		Title:
Print Name:		Date:

MSI Use Only:

Received By: _____ Approved By: _____

Date: _____ Date: _____



Correspondent Loan Purchase And Sale Agreement

This Correspondent 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 Corporation having its principal office at 502 North Hershey Road, Bloomington, Illinois 61704 (the "Buyer").

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"), to Buyer;

WHEREAS, subject to the provisions, hereof, Buyer wishes to purchase Loans from time to time from the 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. Loan Purchases. Pursuant to the terms hereof, from time to time hereafter, the Buyer hereby agrees to purchase Loans from the Seller and the Seller hereby agrees to sell Loans to the Buyer. The Loans and the loan purchase transactions entered into hereunder 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"), and (iii) the loan commitment ("Commitment") which the Buyer will issue to the Seller each time the Buyer desires to purchase a Loan or Loans. (The Agreement, the Announcements 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, and shall provide the Seller with copies of all amendments and modifications thereto. Any such amendment or modification will not apply to any Loan for which a Commitment has been issued prior to the effective date of such amendment or modification.

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

(a) If the Seller desires to sell a Loan(s) to the Buyers, the Seller shall register the Loan(s) with the Buyer, as described in the Contract Documents. If the Buyer wishes to purchase the registered Loan(s), the Buyer will issue a Commitment to the Seller to purchase the Loan(s). 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 Loan(s) from the Seller and the Seller shall be obligated to sell the Loan(s) to the Buyer.

(b) This section is intentionally left blank.

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Section 3. Purchase Price. The purchase price for various types of Loan is set forth in the Lock Confirmation hereto and, for a particular loan, shall be set forth in 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 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.

Section 4. Underwriting. The Buyer's obligation to purchase any Conventional Loan (defined below) is conditioned upon the approval of such Conventional Loan by: (a) a contract underwriter designated by the Buyer or, (b) one of Seller's underwriters, if Seller is expressly approved by Buyer for delegated underwriting. The underwriter shall underwrite the Conventional Loan in accordance with the underwriting standards set forth in the Contract Documents.

Section 5. 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 financial institution or Mortgage Banker which is supervised or examined by a federal or state authority, or is a Federal Housing Administration ("FHA")-approved mortgagee and/or an approved Federal National Mortgage Association ("FNMA") or Federal Home Loan Mortgage Corporation ("FHLMC") Seller/Service.

(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.

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(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.

Section 6. Seller's Loan Representations and Warranties. The Seller hereby further represents and warrants as follows, with respect to each Loan sold to the Buyer by it, as of the date of the purchase of loan:

(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) 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 conforms with all applicable provisions and requirements of the Contract Documents.

(c) Each Government Loan conforms with all applicable FHA or VA underwriting, lending, selling and servicing requirements and with 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 fully eligible for FHA insurance and is, or within 45 days after disbursement of the proceeds by the Seller 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.

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(d) 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 Loan to the Buyer, the Seller was the sole owner of each Loan, with good and marketable title to the Loan, 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 Loan(s) 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 Loan.

(f) 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.

(g) 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) As of the date of purchase of the Loan File, 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) 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.

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(j) 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 30 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 of principal or interest 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 collection practices used with respect to the Loan comply with the terms of the Contract Documents, and have been, in all respects, legal and proper. With respect to escrow payments, all such 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. No escrow payments or other charges or payments due the Seller have been capitalized under the mortgage or deed of trust or the note.

(m) 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, the property securing the Loan, or any related note or security instrument.

(n) The note and the mortgage or deed of trust are 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.

(o) The terms of each 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.

(p) 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.

(q) 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 effect 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.

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r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) 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.

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(x) 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.

(y) 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.

(z) Except as set forth in the Contract Documents, all improvements that were included in the determination of the appraised value of the property securing 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.

(aa) 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 7. 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;

(iv) Any payment defaults, 30 days or greater, during the first 90 days following the buyer's purchase of said loan or current policy.

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(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 Gross Premium paid by the Buyer to Seller, and any accrued interest and other amounts which the Buyer has been required to advance on 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 the Gross Premium portion of the Loan purchase price 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 Loan purchased by Buyer hereunder is paid in full, within 200 days of the date such Loan was purchased by the Buyer, the Seller hereby agrees to repay to the Buyer the Gross Premium portion of the purchase price 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 8. Liquidated Damages for Failure of Delivery. If the Seller fails to deliver a Loan 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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Correspondent Loan Purchase And Sale Agreement

Section 9. 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. 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.

(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 (ii) the basis for disputing any such claim.

Continued on next page



Correspondent Loan Purchase And Sale Agreement

Section 10. Buyer's Right of Offset. In addition to those rights set forth in section 7(c) 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 11. 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) 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 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). In the event of termination pursuant to the terms of this Section 11 (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 12. 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.

Continued on next page



Correspondent Loan Purchase And Sale Agreement

(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.

(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.

Continued on next page



Correspondent Loan Purchase And Sale Agreement

Section 13. 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. (MSI)

Seller:

By: _____
Mark Young

By: _____

SIGN HERE

Printed Name: _____

Title: _____
President & CEO

Title: _____



Special Limited Irrevocable Power of Attorney

STATE OF ILLINOIS
COUNTY OF MCLEAN

KNOW ALL PERSONS BY THIS DOCUMENT:

That _____ (the "Principal"), a _____ (corporation/LLC/etc) with its principal offices at _____, _____ County, State of _____, does with this document nominate, appoint, and constitute Mortgage Services III, LLC of 502 North Hershey Road, Bloomington, McLean County, Illinois (the "Agent"), its true and lawful attorney, and in its name, place, and stead:

To execute, endorse, assign, and deliver to third parties
(1) promissory notes (the "Promissory Notes") made payable to the order of principal, evidencing loans secured by real property, which Promissory Notes are now or may hereafter be in the possession of Agent, as contemplated by that certain Broker or Correspondent Agreement dated _____, _____, that is currently in effect between Principal and Agent; (2) any beneficial or mortgagee's interest, or assignment thereof, and any and all other rights and interests, under all mortgages, deeds of trusts, security agreements, and other instruments evidencing, making or granting security for the Promissory Notes ("Mortgage Rights");
(3) all other documents evidencing, memorializing, or otherwise relating to payee's, obligee's, or mortgagee's interest in loans evidenced by the Promissory Notes ("Documents").

Principal gives and grants to Agent full power and authority to do and perform every act necessary and proper to be done in the exercise of any of the foregoing powers as fully as Principal might or could do itself.

Principal and Agent hereby acknowledge and agree that Agent has an interest in the subject matter of the powers granted herein, in that the loans evidenced by the Promissory Notes (and the related Mortgage Rights and Documents) were, as contemplated by the Originator Agreement, originated and closed in the name of Principal, with Principal being denominated the original payee in the Promissory Notes and the original beneficiary or mortgagee in the deeds of trust or mortgages securing payment of the Promissory Notes, and immediately upon and concurrently with the closing of the loans, Principal and Agent do hereby agree that Agent is hereby vested irrevocably with the powers granted herein and that, with respect to such loans, Principal does hereby forever renounce all right to

- (1) Revoke this Special Limited Irrevocable Power of Attorney or any of the powers conferred upon Agent hereby or to appoint any other person to execute the said powers and
- (2) do any of the acts that Agent is authorized to perform by this Special Limited Irrevocable Power of Attorney.

If, prior to the exercise of the powers hereby conferred upon agent, Principal shall have become bankrupt, dissolved, liquidated, disabled, incapacitated, or have died, and Agent shall thereafter exercised such power, Principal hereby declares any such acts performed by Agent pursuant to this Special Limited Irrevocable Power of Attorney binding and effective in the same manner that they would have been had such bankruptcy, dissolution, liquidation, disability, incapacity, or death of Principal not have occurred.

EXECUTED this _____ day of _____, 20____.

"PRINCIPAL"

"AGENT"
MORTGAGE SERVICES III, LLC

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

Continued on next page



Special Limited Irrevocable Power of Attorney

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned, on this day appeared _____, _____(title) of _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same on behalf of the corporation for the purposes and consideration therein given.

SWORN before me on this the _____ day of _____, 20__.

NOTARY PUBLIC, STATE OF

STATE OF ILLINOIS

COUNTY OF MCLEAN

BEFORE ME, the undersigned, on this day appeared _____, _____(title) of Mortgage Services III, LLC, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same on behalf of the corporation for the purposes and consideration therein given.

SWORN before me on this the _____ day of _____, 20__.

NOTARY PUBLIC, STATE OF

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, as outlined in the Seller Guide (updated 4/01/11) 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.



Lender Paid Seller Compensation Agreement

Please return the completed form to khay@msiloans.biz

IMPORTANT: If you are a Lender (fund loans from your own funds or warehouse funds; this compensation agreement is **not** required.)

Exception: If you are a Lender and a MSI FHA Sponsored Originator, you **must** provide this Compensation Agreement to be applicable to all FHA SO loans.

- ✓ This new Agreement **supersedes and replaces** any current existing Agreement. If a new Agreement is **not** received by MSI by the required date, **the former (current) Pricing Agreement will stay in effect.**
- ✓ By signature on this document, Seller warrants they are authorized to determine the Lender Paid pricing structure.

Seller Name: _____

Seller ID with MSI: _____

MSI Account Executive: _____

Owner/Principal/Manager _____

Date Completed: _____

Please select ONE of the following:

- | | |
|---|---|
| <input type="checkbox"/> Bucket A – 100.0 BPS | <input type="checkbox"/> Bucket I – 200.0 BPS |
| <input type="checkbox"/> Bucket B - 112.5 BPS | <input type="checkbox"/> Bucket J – 212.5 BPS |
| <input type="checkbox"/> Bucket C - 125.0 BPS | <input type="checkbox"/> Bucket K – 225.0 BPS |
| <input type="checkbox"/> Bucket D – 137.5 BPS | <input type="checkbox"/> Bucket L – 237.5 BPS |
| <input type="checkbox"/> Bucket E – 150.0 BPS | <input type="checkbox"/> Bucket M – 250.0 BPS |
| <input type="checkbox"/> Bucket F – 162.5 BPS | <input type="checkbox"/> Bucket N – 262.5 BPS |
| <input type="checkbox"/> Bucket G – 175.0 BPS | <input type="checkbox"/> Bucket O – 275.0 BPS |
| <input type="checkbox"/> Bucket H – 187.5 BPS | <input type="checkbox"/> Bucket P – 287.5 BPS |
| | <input type="checkbox"/> Bucket Q – 300.0 BPS |

Please select ONE of the following:

- \$500 flat fee, on all lender paid transactions in addition to the selected Bucket
- Compensation paid on Bucket selection only, flat fee non-applicable.

Note: A minimum \$1200 fee is applicable to all transactions where the selected plan will net a lesser amount.

Authorized Signer:

FHA Sponsored Originator's (SO) Requirements

Eligibility Requirements:

- ✓ Seller must be an approved MSI Seller (Correspondent or Wholesale) and meet all eligibility standards outlined in the applicable Seller Guide/Eligibility Chapter, in **addition** to the following to be approved as an SO lender:
 - Compare Ratio of less than 200% (i.e. available within HUD's Neighborhood Watch Site—to the extent that MSI can obtain the information.). **Note:** if the information is not available to MSI, the remaining eligibility requirements will be more carefully considered.
 - Copy of the Seller's QC plan, most current QC Reports and Management Response.
 - Non-sanctions letter. A letter from a senior officer, certifying that no officer or employee has ever been debarred or sanctioned by a federal, state or agency regulator. MSI provides a sample letter on our Web Site.
 - Two (2) years' minimal experience in FHA originations **OR** an FHA training certificate as provided by MSI or other acceptable industry training program.
- ✓ MSI requires that "SO" has a primary place of business (bricks and mortar office) in a commercial location with ample/visible signage, even if "SO" also has "satellite" origination offices.

Maintaining SO Approval:

- ✓ In **addition** to the standard Good Standing Requirements, to maintain FHA SO status with MSI, the Seller must continue to meet the requirements for approval.
- ✓ The lender must be knowledgeable of current FHA guidelines and must submit quality loans for

Contents of the SO "Application Package"

Documents the Applicant Must Provide

- | | |
|---|---|
| <ul style="list-style-type: none"> ✓ Sample Language for Non-Sanction Letter | <ul style="list-style-type: none"> <input type="checkbox"/> Copy of QC Plan <input type="checkbox"/> Copy of most current QC Reports and Management Responses <input type="checkbox"/> Non-Sanction Letter – On company letterhead - Completed and Executed <input type="checkbox"/> Evidence/documentation of minimum 2-year experience in FHA Originations OR documentation of completion of an acceptable FHA Training Program. <input type="checkbox"/> Evidence of "bricks and mortar" primary place of business. |
|---|---|



FHA Sponsored Originators Application Package

Sample Language for Non-Sanctions Letter

Date: _____

Sponsor: Mortgage Services III, LLC
502 N. Hershey St.
Bloomington, IL 61704

Originator: _____

Re: Sponsorship for FHA originations

As an executive officer of Originator, I hereby certify that Originator, nor its officers, nor any employees of Originator have ever been debarred or sanctioned by any state, federal or agency regulatory body.

Attested:

Signature

Name

Title

FHA PRINCIPAL and AUTHORIZED AGENT AGREEMENT (FHA-Insured Title II Mortgage Loans)

This FHA Principal and Authorized Agent Agreement (“Agreement”) is dated as of _____, by and between Mortgage Services III, LLC (referred to as “Agent” in this Agreement), and _____, (referred to as “Principal” in this Agreement). Agent and Principal are referred to in this Agreement, collectively, as the parties.

RECITALS

WHEREAS Principal is in the business, among other things, of originating FHA Title II mortgages loans ("Loans") to be insured by the Federal Housing Administration ("FHA"); WHEREAS Principal wishes to be able to offer Loans to its customers; WHEREAS Agent is in the business of originating Loans to be insured by the FHA; and, WHEREAS Agent specializes in originating and underwriting Loans. NOW, THEREFORE, in consideration of the foregoing and of the mutual promises made herein, and other good and valuable consideration, Agent and Principal hereby agree as follows:

AGREEMENT

1. Effective Date; Term. This Agreement shall be effective, following its due execution by each of Principal and Agent, upon Agent notifying Principal that Agent has registered electronically as Agent of Principal upon the books and records of the FHA. This Agreement shall remain in full force and effect until it is terminated by either of the Parties under Section 17 of the Agreement.

2. FHA Mortgagee Approval. Principal and Agent both are, and shall remain so throughout the term, properly licensed in each state, or exempt, in which they conduct mortgage business, and Agent is a Non-Supervised FHA-approved mortgagee, and Principal is a Supervised or Non-Supervised FHA-approved mortgagee, as applicable, each in good standing with the FHA. Agent is and shall maintain its unconditional “Direct Endorsement” authority approval in good standing with the FHA. Principal shall maintain its approval as Mortgagee, and also must have and maintain such “Direct Endorsement” authority as of July 1, 2011.

3. FHA Jurisdictional Approval. Principal is and shall remain so throughout the term of this Agreement, duly approved by the FHA to originate Loans in each and every locality in which the collateral securing such Loans is located.

4. Loans Rejected by Principal . Principal shall not submit to Agent any loan application for a Loan, which was simultaneously submitted to another lender or was previously rejected by the Principal or another Supervised or Non-Supervised FHA-approved mortgagee, as being ineligible for FHA insurance.

5. Further Assurances. Loans subject to this Agreement will be insured by the FHA and may be closed either in the name of the Principal or Agent. Each party agrees to execute and deliver such instruments and take such actions as the other party may, from time to time, reasonably request, in order to effectuate the purposes and to carry out the terms of this Agreement. Without limitation of the foregoing, Principal agrees to do all things and to execute or otherwise obtain for Agent all additional documentation

necessary for Agent to properly complete the approval, funding, or insuring of any Loans.

6. Non-Assignability. Neither party may assign this Agreement. No loan application for any Loan may be submitted to Agent for which loan applications were solicited or processed by any entity or any employee of any entity other than the Principal. Agent will underwrite applications for Loans that Principal sends to it and will not assign or contract out such underwriting.

7. Confidentiality. The parties agree that the terms and conditions of this Agreement, Agent's Guidelines and any advice or agreement to fund or close any Loans hereunder shall be kept confidential and their contents shall not be divulged to any party without the other's consent except to the extent that it is necessary for either party to disclose any such information in accordance with applicable law or in working with legal counsel, auditors, taxing authorities or other governmental agencies.

8. No Third Party Originations. Principal agrees that, during the term of this Agreement, Principal shall maintain an experienced, qualified and approved originations staff and shall cause such staff to perform all origination functions to be performed by Principal under this Agreement in compliance with the requirements of this Agreement, HUD/FHA requirements, and all modifications thereto. Principal shall cause the actual originations and processing of Loans to be done only by employees of Principal who are qualified to originate, and have substantial experience originating, such loans. Principal shall not submit to Agent any loan application for Loans that was taken by any third party, including any such loan application taken by any Authorized Principal or Sponsored Loan Correspondent of the Principal.

9. Non-Exclusive Agreement. Nothing in this Agreement shall be construed to create an exclusive relationship in any market or geographic area between Principal and Agent. Principal acknowledges that Agent may provide the same or similar services to other Principal Mortgagees.

10. Origination and Submission of Loan Applications. Principal may from time to time compile application information from prospective borrowers for Loans and submit to Agent a completed, original loan application package for a Loan together with such related materials required to process and underwrite the Loan. In the event any form is incomplete or Agent requires additional information to evaluate the loan application, Agent will notify Principal in a timely manner and Principal will use its best efforts to assist in obtaining such additional material.

11. Principal's Responsibilities. Principal will initiate, complete and obtain a loan application, and perform the following services in connection with each Loan: (a) educate the applicant (in a face-to-face meeting, where required) in the mortgage financing process and the different types of mortgages products available; (b) analyze prospective borrowers' credit qualification information, including (i) the prospective borrower's home value (ii) that the prospective borrower is the primary resident thereof, and (iii) ascertaining any outstanding liens that exist on the prospective borrower's home, including the amount or value thereof, and (iv) any other liens against the prospective borrower personally, including federal tax liens (which may be discovered through the use of a credit report); (c) based on the applicant's credit qualification information, pre-qualify and counsel prospective borrowers regarding mortgage loans; and (d) maintain regular contact with the applicant during the period between loan

application and closing to apprise the applicant of the status of the loan application and the requirements to satisfy any outstanding conditions prior to closing, and to gather additional credit, financial and other information, as needed. To the extent not provided above, Principal will perform the following additional services as requested by Agent: (a) initiate/order credit reports and requests for mortgage and other required verifications; (b) initiate/order appraisals of the property proposed as security for the loan, in compliance with Appraisal Independence Requirements (c) initiate/order inspections or engineering reports, if applicable; (d) provide disclosures (truth-in-lending, good faith estimates, etc.) to the borrowers as required by applicable law or by Principal; (e) collect financial information and other related documents that may be required or necessary as part of the loan application process; and (f) participate in the loan closing. Agent shall review the accuracy and completeness of all information provided by loan borrowers, and shall at all times maintain the integrity of Agent's loan application and processing operations. It is Principal's responsibility to ensure that (i) Principal and its employees at all times maintain and use complete, up-to-date versions of the FHA guidelines and Agent's Guidelines, including all Mortgagee Letters, Handbooks, updates, Bulletins, Announcements, Memorandums and product descriptions, and (ii) all of its employees performing origination duties and functions pursuant to this Agreement remain informed and knowledgeable regarding such guidelines and all Agent's Guidelines.

12. Agent's Underwriting Responsibilities. Agent shall make loan application approval decisions regarding Loans, and the Agent will make the underwriting determination in connection with Loans regardless of Principal having a "FHA Direct Endorsement" approval status. If Agent determines that the application does not qualify as a Loan, Agent will return the loan application package to the Principal. Principal shall ensure that each loan application is completed within a reasonable time.

13. Closing, Funding and Insuring of Loan Transactions; Principal Compensation; Ownership of Loans. Agent shall have a reasonable time to review and underwrite completed loan application packages for Loans. Once Agent has completed its review of a loan application package, Agent will notify Principal whether such proposed Loan should be approved, subject to any Closing Conditions. Loans may be closed and funded in either Principal's or Agent's name. The Party who closes and funds a Loan accepts and agrees to fulfill any and all HUD requirements of procuring FHA/HUD insurance. Principal will be compensated in connection with closed Loans, as agreed between Principal and Agent with respect to each Loan or a class of Loans, pursuant to the Wholesale or Correspondent Agreement entered into between the parties. Principal hereby assigns to Agent each Loan, Agent will own loan application packages transferred to it by Principal under and pursuant to this Agreement, and Agent shall own the Loans originated and closed under this Agreement, and shall have the power and may deal with such Loans as it sees fit, without notification or further compensation to Principal. Prior to the closing of any Loans, and the title insurance company issuing the mortgagee's title insurance policy required under the terms of Agent's Guidelines shall have delivered an "Insured Closing Protection Letter" (or similar instrument) naming the Agent as insured or covered party with respect to the settlement of such a loan, holding insurance company liable for acts of its title principal that are within the scope of the title principal's authority while acting on the title insurer's behalf.

14. Loan Documents. After the closing of the transaction, at Agent's request, Principal will assist Agent in obtaining all instruments, recorded documents, title policy and other documents that relate to or evidence that the Loan was executed and/or issued at the closing in accordance with Agent's Guidelines.

15. Representations and Warranties of the Parties. Agent makes the following representations and warranties, and such shall continue until the termination of this Agreement: a. Agent is a duly organized and validly existing entity, is in good standing under the laws of the state of its organization, and is authorized to transact business in all states in which it transacts business. Agent possesses all necessary licenses and permits from all applicable federal, state, and local authorities to engage in the activities contemplated by this Agreement, and Agent is in compliance with all laws, rules, or regulations relating to licensing, qualification, or approval to originate loans as contemplated by this Agreement. This Agreement has been duly authorized and executed by Agent and is, or upon delivery will be, a legal, valid and binding obligation of Agent enforceable in accordance with its terms. The execution, delivery, and performance of this Agreement by Agent will not violate Agent's articles of organization, bylaws, any instruments related to the conduct of Agent's business, or any other Agreement or instrument to which Agent is a party. Neither Agent nor any of its agents know of any suit, action, legal or administrative or other proceeding pending or threatened against Agent which would materially affect its ability to execute, deliver, or perform its obligations under this Agreement.

16. Representations and Warranties of the Principal. Principal makes the following representations and warranties, and such shall be continuing until the termination of this Agreement: a. Principal is a duly organized and validly existing entity, is in good standing under the laws of the state of its organization, and is authorized to transact business in all states in which it transacts business. Principal possesses all necessary licenses and permits from all applicable federal, state, and local authorities to engage in the activities contemplated by this Agreement, and Principal is in compliance with all laws, rules, or regulations relating to licensing, qualification, or approval to originate loans as contemplated by this Agreement. This Agreement has been duly authorized and executed by Principal and is, or upon delivery will be, a legal, valid and binding obligation of Principal enforceable in accordance with its terms. The execution, delivery, and performance of this Agreement by Principal will not violate Principal's articles of incorporation or organization, bylaws, any instruments related to the conduct of Principal's business, or any other Agreement or instrument to which Principal is a party. Neither Principal nor any of its agents or employees know of any suit, action, legal or administrative or other proceeding pending or threatened against Principal which would materially affect its ability to execute, deliver, or perform its obligations under this Agreement. b. Principal has complied with all terms, conditions and requirements of Agent's Guidelines and this Agreement, and with all applicable federal, state and local laws relating to the loan application and origination process for Loans. c. Principal agrees to perform all loan processing functions in connection with Loans under this Agreement with the same care and diligence as an experienced prudent lender performing such duties in the industry with respect to similar mortgage loan products, and in any event with no less care and diligence than if it were originating Loans for its own account. d. None of the information or documentation contained in any loan

application submitted by Principal to Agent, and none of the representations made by Principal to Agent related to any loan application for Loans submitted by Principal, will contain any untrue information, statement, or representation or omit to state a fact necessary in order to make such information, statement or representation not misleading e. Principal has no knowledge nor any reason to know of any of the following: (i) fire, windstorm or other casualty damage to the Property; (ii) condemnation proceedings, (iii) detrimental conditions which could reasonably be expected to adversely affect the market value of the Property including, but not limited to, expansive soils, underground mines or storage tanks, soil subsidence, landfills, superfund sites, special study zones, or other similar conditions; (iv) outstanding mechanics' or materialmen's liens which are or may be a lien prior to, or of equal priority with, the lien of the security instrument except those that are affirmatively insured against by the title insurance policy; (v) outstanding oil, gas or other mineral interests now owned or controlled by the proposed borrower which might jeopardize the security interest in the Property or in any manner diminish the value of the Property; (vi) any circumstance or condition which might indicate that the appraisal is incomplete or inaccurate or that the value of the Property might not be at least the amount reported therein; or (vii) circumstances or conditions with respect to the Property that could reasonably be expected to cause private institutional investors to regard the Loan as an unacceptable investment or adversely affect the value or marketability of the Loan.

17. Termination of Agreement. Either party may terminate this Agreement with or without cause. Agent may terminate Principal's authority to serve as an Authorized Principal of Agent upon thirty (30) days prior written notice to Principal. Principal may terminate its status as an Authorized Principal of Agent upon thirty (30) days prior written notice to Agent. Further, this Agreement shall immediately terminate without notice upon HUD's withdrawal or revocation of either party's FHA approved Supervised or Non-Supervised mortgagee status or Direct Endorsement authority. All obligations or liability of either party to the other hereunder shall survive termination of this Agreement.

18. Change of Ownership, Financial Condition or Senior Management. Either party will promptly advise the other of any material adverse change in its business or financial condition, or any change in its ownership or senior management. Either party also shall inform the other in writing of any change in status of any required license and of any pending, threatened or final judicial, administrative or regulatory action or order which may impact the status of a required license or its eligibility under this program.

19. Indemnification. Principal shall indemnify and hold Agent, its successors and assigns, and their respective officers, directors, employees, shareholders, members, principals, contractors, affiliates and subsidiaries (collectively, the "Agent Indemnitees") harmless from and against, and shall reimburse Agent Indemnitees with respect to, any and all claims, demands, losses, damages, interest, penalties, fines, forfeitures, judgments and expenses (including, without limitation, reasonable fees and disbursements of counsel, and court costs) (any of the foregoing hereinafter referred to as a "Claim"), resulting from, relating to or arising out of, whether the result of negligent or intentional conduct or otherwise: (i) any breach of any representation or warranty made by Principal pursuant to this Agreement or Agent's Guidelines; (ii) any breach or failure to perform any covenant or obligation of Principal in this Agreement, the Wholesale or Correspondent Agreement or Agent's Guidelines; or (iii) any claim by a

borrower resulting from a failure or refusal to fund a loan application package which failure or refusal is related to information obtained from Principal or Principal's conduct. In the event it is discovered by Agent through its own investigation or through a HUD review or audit that fees have been charged to a borrower in excess of those allowed by the FHA or state regulations, Principal promptly shall refund such excess fees directly to a borrower or reduce the fees charged at closing and provide evidence to Agent that such has been done. Principal shall indemnify Agent for any damages related to any excess charges. Agent shall indemnify and hold Principal harmless against and in respect of, and shall reimburse Principal for, any and all claims, damages, liabilities, expenses, carrying costs, penalties, fines, forfeitures, actions, causes of action and judgments (including without limitation attorney's fees), arising out of, resulting from or relating to the non-fulfillment of any covenant, agreement or condition of Agent, contained in this Agreement.

20. Rights to Obtain Certain Information. During the term of this Agreement, if requested each party shall furnish the other with (i) copies of all renewals of its licenses and approvals within thirty (30) days after they are issued by the applicable regulatory authorities; and (ii) copies of its audited financial statements promptly after they become available. If requested, each party shall also provide any other information reasonably related to substantiating its continuing eligibility to participate in the loan programs subject to this Agreement as in effect from time to time. Each party acknowledges that each year it must certify to the FHA its current eligibility for approval as a FHA-approved Supervised or Non-Supervised mortgagee and pay the FHA annual fees, as applicable. Each party shall immediately notify the other if it loses its approval by the FHA.

21. Adverse Action Notices. Agent will not deliver to any loan applicant an "adverse action" notice required by Federal Reserve Board Regulation B, 12 C.F.R. §202.9 when Agent determines that an applicant does not qualify for a particular loan. Rather, Agent shall deliver notice to Principal specifying the reasons Agent has declined to approve a Loan. Principal shall forward an adverse action notice to the applicant no later than thirty (30) days following the date Agent received a "completed application" (as defined loan unless, within the thirty (30) day period, the loan has been approved by the Agent or another lender.

22. Power of Attorney. Principal does hereby make, constitute and appoint Agent and any of its properly designated officers, or employees as the true and lawful attorneys of Principal with power to sign the name of Principal on documents or instruments that are necessary in order to effectuate the terms and provisions of this Agreement, including, but not limited to, any assignments and/or endorsements of loan documents pertaining to any Loan funded under this Agreement. Agent is only an agent of Principal as specified under his section for the purposes of this Agreement, and no other purpose.

23. Appointment of Trustee. If loan documents are prepared by Principal, the appointment of trustees under any trust deeds or deeds of trust shall be subject to the approval of Agent.

24. Use of Other's Name. Without the prior written consent of the other, neither party shall use the corporate names, logos, brand names, trademarks, trade names or service marks of the other party or any of the other party's affiliates, or otherwise identify the other party or any of its affiliates, in the party's advertising, marketing or promotional material, publicity releases, communications with the press, proposals to

prospective clients, appraisers, or in announcements, customer listings, testimonials, websites and any other material distributed by or on behalf of the other.

25. Real Estate Settlement Procedures Act. In connection with this Agreement, Principal understands and acknowledges the following with respect to the requirements of the Real Estate Settlement Procedures Act: (a) Principal acknowledges that all Good Faith Estimates must be issued in accordance with the Real Estate Settlement Procedures Act; (b) Principal acknowledges that if Agent, as the mortgage lender, accepts the loan package with the Good Faith Estimate as provided by Principal, and absent changed circumstances as outlined by the Real Estate Settlement Procedures Act, Principal and Agent, as the mortgage lender, will be bound by the terms and estimates stated to the applicant in the Good Faith Estimate if the applicant accepts the Good Faith Estimate; (c) Principal acknowledges that if the actual settlement costs and fees associated with the closing of a mortgage loan are out of tolerance at closing, according to the applicable tolerance limitations in place at the time of closing and according to applicable rules and regulations promulgated under the Real Estate Settlement Procedures Act, then Agent may be responsible under such regulations to correct and cure any such tolerance violations to the borrower within thirty (30) days of the closing date; (d) Principal further acknowledges that, in consideration of Agent's responsibility to correct and cure tolerance violations associated with quoted fees on the Good Faith Estimate as described above, Principal shall, at Lender's election, either (i) make such tolerance corrections out of proceeds to be received by Principal in connection with the applicable loan, or (ii) Principal shall reimburse Agent for any such tolerance violations at the closing of each such loan requiring such tolerance cure or upon Agent's later demand.

26. Miscellaneous.

a. Notices. Any notice or demand which is required or permitted to be given by any party under this Agreement shall deem to have been given if either (i) personally served, or (ii) sent by prepaid, certified mail, addressed to the party at its address set forth below; or (iii) in such other manner as the parties may agree in writing:

If to AGENT:
Mortgage Services III, LLC
502 N. Hershey Rd.
Bloomington, IL 61704

If to PRINCIPAL:

Attention: _____

Each party may change its address for notices by providing written notice thereof to the other party.

b. Entire Agreement/Amendment. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations, and understandings of the

parties. No modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto. **c. Counterparts.** This Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

d. Waivers/Non-Cumulative Remedies. Failure or delay on the part of either party to exercise any right provided for herein shall not at as a waiver of any right hereunder, nor shall any single or partial exercise of any right of any party preclude any other or further exercise thereof. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provision, or shall constitute a continuing waiver, unless such waiver is in writing and executed by the party making the waiver. All the remedies provided herein are deemed cumulative and nonexclusive.

e. Survival. All of the representations, warranties, covenants and obligations made herein by the parties hereto shall survive and continue in effect after the termination of the Agreement of the consummation of the transactions contemplated by the Agreement.

f. Governing Law; Jurisdiction. **THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS, EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW. PRINCIPAL CONSENTS TO THE NON-EXCLUSIVE JURISDICTION AND VENUE OF THE STATE COURTS OF ILLINOIS AND THE FEDERAL COURTS AS TO ANY DISPUTE CONCERNING THIS AGREEMENT.**

g. Attorneys' Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or in connection with any dispute related thereto, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in such proceeding, in addition to any other relief to which such party may be entitled.

h. Dispute Resolution. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, shall be finally resolved by arbitration by three arbitrators in accordance with the CPR International Institute for Conflict Prevention and Resolution Rules for Non-Administered Arbitration. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. Arbitration proceedings shall take place in the city of the responding party's location. Except as may be required by law, neither party nor any arbitrator may disclose the existence, content, status or results of any arbitration hereunder without the prior written consent of both parties. The procedures specified in this section shall be the sole and exclusive procedures for the resolution of disputes between the parties arising out of or relating to this Agreement; provided, however, that a party may file a complaint to seek a preliminary injunction or other provisional judicial relief to protect such party's intellectual property rights, confidential information, or customer information. Despite such action the parties will continue to participate in good faith in the procedures specified in this section. Each party will bear their own expenses for any actions arising under this Section.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date indicated above.

AGREED:

Mortgage Services III, LLC, AGENT

By: _____

Date: _____

Printed Name: _____

Title: _____

_____, **PRINCIPAL**

By: _____

Date: _____

Printed Name: _____

Title: _____



VA Authorized Agency Agreement Cover Letter

Enclosed please find an Authorized Agent Agreement for originating VA Guaranteed loans. The Department of Veterans Affairs has issued a VA Lender's Handbook addressing authorized agents for originating VA guaranteed loans.

In compliance with the guidelines outlined in the Handbook, we have developed an agreement for this specific purpose.

Your agreement has been enclosed. Please review, execute and return the original agreement within five (5) business days to:

Mortgage Services III, LLC
502 N. Hershey Road, Bloomington, IL 61704
(Attn: Ketra Hay).

Also include the check for \$100.00 made payable to the Department of Veteran Affairs. Retain a copy for your records.

Once we receive the signed agreement, we will forward all appropriate documents to the Department of Veteran Affairs requesting your approval as an Agent of MSI.

If you should have any questions regarding this matter, please do not hesitate to contact your Account Executive.

Authorized Agent Applicant Information		
Legal Name of Company:		
DBA:	Company Tax ID#:	
Mailing Address:	City	State & Zip
VA ID# (If applicable):		

Continued on next page

**AUTHORIZED AGENT AGREEMENT
FOR ORIGINATING VA GUARANTEED LOANS**

1. **LOANS:** All loans to be purchased by Various Institutional Investors (VII) shall be originated by you and shall be insured by the Department of Veteran Affairs (VA). Each loan shall be eligible in all respects for inclusion in a pool of mortgages underlying the issue of a GNMA mortgage-backed security. You are authorized to originate the loan application, process all necessary documentation including, but not limited to, the employment verification, deposit verification, credit report and appraisal along with other VA required documentation.
2. **CREDIT UNDERWRITING:** Mortgage Services III, LLC is VA approved for automatic underwriting and will underwrite all "agent for" loans. The underwriter's certification and signature must appear on VA Form 26-1820, Section Q or on a separate document as is required for VA loans closed on the automatic basis. The VA Form 26-1802a must be submitted with your company's name, address and as Agent for MSI.
3. **CLOSING THE LOAN:** All loans will be funded and closed in Mortgage Services III's name. You may close the loan in your name, but if you chose to do so, you must accurately complete VA Form 26-1820. Item 25A on the VA Form 26-1820 must be completed with your company's name and address as Agent for Mortgage Services III, LLC. Item 26B must be signed by an officer of your company. A copy of the complete closing package (see attached transmittal) must be furnished to MSI within five (5) days of closing. Upon your approval from VA, you will be issued your own lender identification number that will be used on the VA Form 26-1820 and the VA Funding Fee Transmittal.
4. **LOCK-IN AGREEMENT:** You are authorized to issue a written lock-in agreement to the veteran upon their request. MS III must be notified in writing of any lock-ins and such lock-ins must comply in every way with MS III's lock-in policy. Any lock-in agreements must be approved by your local VA jurisdiction office. Please refer to DVB Circular 26-88-38 dated August 26, 1988, which specifically addresses lock-in agreements.
5. **QUALITY CONTROL:** Ten percent of closed loans on which you are deemed to agent will be reviewed. The cost of the quality control will be at your own expense. These loans will be selected at random and you will be notified of what loan files have been selected.
6. **LOANS FOUND DEFECTIVE:** You will indemnify MSI and hold MSI harmless against any damages arising from defective loans sold to or funded by Mortgage Services III, LLC. If the VA withdraws or reduces the insurance or guaranty for any loan because of, or relating to, the processing or closing of the loan, or the loan origination documentation, or from any untrue or incorrect representation or warranty arising from the origination or closing of the loans, or causing liens to be ineligible in the secondary market, agent shall indemnify MSI against all losses, including reasonable attorney's fees incurred by MSI in defense of any claims or liabilities or in enforcing the terms and provisions of the agreement, including this indemnity.
7. **AGREEMENT OF ASSISTANCE:** Agent agrees to assist in obtaining supplemental documents that may be required by VA in respect to obtaining the loan guaranty certificate, which may include, but not limited to, contact with the veteran.
8. **MODIFICATION:** Any modification of this agreement must be in writing.
9. **RIGHTS TO TERMINATE:** If you fail to comply with any of the terms and conditions set forth herein or fail to conform to VA regulations, MSI shall have the right to terminate this agreement by giving you ten (10) days written notice with respect to all loans which have not already been closed.
10. **GOVERNING LAWS:** This agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Illinois.

If you accept the above terms and conditions, please execute and return to Mortgage Services III, LLC the enclosed copy of this letter.

Mary Young Pres/CEO
Mortgage Services III, LLC

Company

Signature

Signature, Title,

Printed Name

VA ID Number (If applicable)



Fax/E-mail Permission Form

Yes! We would like Mortgage Services III, L.L.C. to send us facsimiles/e-mails, including rate sheets, promotional materials, bulletins, announcements and other materials so we can take full advantage of the various programs and services offered by Mortgage Services III, L.L.C.

Please list all fax numbers/E-mail addresses that can be used to provide you with the latest information from Mortgage Services III, L.L.C.:

_____	_____
_____	_____
_____	_____

Please acknowledge consent by signing below:

Name of Company: _____

Name/Title of Authorized Representative (Please print clearly): _____

Signature of Authorized Representative: _____

Date: _____

Mortgage Services III, L.L.C.
502 North Hershey Road
Bloomington, IL 61704
(309) 664-9100
www.msiloans.biz



Parental Guarantee Agreement

For purpose of inducing Mortgage Services III, LLC ("MSI") to enter into that certain Correspondent Agreement dated _____, 20____, ("Agreement") with _____ ("Seller"), a company existing under the laws of the State of _____, the parent company, _____ ("Parent"), herby and unconditionally and absolutely guarantees to MSI, their successors and assigns (1) the prompt and unconditional payment of all sums due or to become due pursuant to the provisions of the Correspondent Agreement, including but not limited to the repurchase provisions and the indemnification provisions, and (2) the punctual performance and observance by Seller of all terms, conditions, and covenants of the Correspondent Agreement, whether according to the present terms of the Correspondent Agreement, or pursuant to any changes in the terms, conditions, and covenants now or at any time in the future. The repayment obligation of _____ ("Seller") is unconditional and absolute and shall survive the termination of the Correspondent Agreement.

MSI agrees to give _____ ("Parent") 15 calendar days notice by ordinary mail of the non-performance of Seller's obligation and liabilities under the Correspondent Agreement. No other or further notice shall be required to establish the liability of _____ ("Parent"), Parent then has 15 calendar days to perform the obligation and/or make the payment.

PARENT OF SELLER

By: _____

Title: _____

Signature: _____



Date: _____



Resolution of the Board of Directors

Resolution of the Board of Directors

OF _____ (Name of Seller)

RESOLVED FIRST, that

_____ the _____ and (Name of Officer) (Title)

_____ the _____ and (Name of Officer) (Title)

of this corporation, or any one or more of them or their duly elected or appointed successors in office, be and each of them is hereby authorized and empowered in the name of and on behalf of this corporation and under its corporate seal from time to time while this resolution is in effect, to sell mortgage loans to Mortgage Services III, L.L.C. (MSI), and to execute any and all agreements, contracts, assignments, endorsements and issuance of checks or drafts, reports, mortgage documents, and other papers in connection with documents, and furnish any information required or deemed necessary or proper by MSI in connection therewith.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of _____ at a meeting duly called and held at _____ on the _____

day of _____ in the year of _____, at which a quorum was presented and voted, and that such resolution is duly recorded in the minutes book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names.

(Corporate Seal)

(Secretary)



Certification of Resolution of the Board of Directors

Certificate of Resolution (LLC)

This is to certify that a Special meeting of the Members of _____, A
Limited Liability Company organized under the laws of the State of _____, held at the Office of said
liability company at _____, County of _____, State of _____, on the
_____ day of _____, 20____, the following resolution was duly and legally

presented and Adopted by the majority vote of the Members, to wit:

It being the desire and purpose of the Members of _____, that this Limited
Liability Company should take steps to obtain wholesale lender approval from Mortgage Services III, LLC.

BE IT RESOLVED, that

_____ the _____ and/or
(Name of Officer) (Title)

_____ the _____ and/or
(Name of Officer) (Title)

_____ the _____ and/or
(Name of Officer) (Title)

Of this limited liability company and in their official capacity be, and are hereby authorized and directed to prepare,
execute, verify and present to Mortgage Services III, LLC, and on behalf of said

_____, written application, Contracts, agreements and all supporting documentation
requested. And to do all acts and perform all necessary legal requirements on behalf of said limited liability
company to procure the same.

Authorized Signature

X: _____

Date: _____

Name: _____

Company: _____

Title: _____



Company Contact Information

In an effort to provide the best, most complete, and up to date information regarding programs, specials, and business news we ask that you provide a complete list of your employees whom will be interacting with our company.

Seller Company Name: _____

Office Location: _____

Employee Name	Position	Direct Phone	Cell Phone	Direct Fax	Email
	Operations				
	Shipping				
	Post Closing				
	IT				
	Pending Issues				
	Pricing				

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	<input type="checkbox"/> Exempt payee	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

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

Social security number									
				-			-		

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

Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

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

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

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

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

Purpose of Form

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

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

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

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

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

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

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

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

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name/disregarded entity name” line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the “Name” line and any business, trade, or “doing business as (DBA) name” on the “Business name/disregarded entity name” line.

Disregarded entity. Enter the owner's name on the “Name” line. The name of the entity entered on the “Name” line should never be a disregarded entity. The name on the “Name” line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the “Name” line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the “Business name/disregarded entity name” line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the “Name” line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the “Name” line is an LLC, check the “Limited liability company” box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter “P” for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter “C” for C corporation or “S” for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the “Name” line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the “Name” line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



Delegated Underwriting Addendum to the Correspondent Loan Purchase And Sale Agreement

This Addendum to Mortgage Purchase Agreement for Delegated Underwriting (the "Addendum") is made and entered into as of

this _____ day of _____, 20____ by and

Between **Mortgage Services III, L.L.C. (MSI)**, or one of its affiliates, subsidiaries, or assigns,

_____ Seller", a _____ Corporation, LLC or LLP, it's

Principal office at _____

in consideration of mutual premises and conditions hereinafter set forth.

WHEREAS, MSI and Seller have previously entered into a Mortgage Purchase Agreement ("Agreement"), pursuant to which Seller has agreed to sell and MSI has agreed To purchase certain mortgage loans on the terms and conditions contained in said Agreement; and

WHEREAS, Seller desires to perform the reasonable, prudent, and necessary credit And property underwriting of such mortgage loans which are sold to MSI, and

WHEREAS, MSI is willing to consider Seller's request for Delegated Underwriting Privileges, subject to terms and conditions of this Addendum.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and Agreements set forth herein, Seller and MSI agree as follows:

1. MSI's approval of Delegated Underwriting privileges to Seller is expressly conditioned on MSI's acceptable review and approval of the first Five (5) delegated underwritten conventional cases submitted by Seller. These files will be reviewed prior to the closing/funding of the loan.
2. The seller must provide acceptable evidence on each loan for purchase by providing a clear OFAC check and verification of Social Security Number validation on each applicant on the loan.
3. MSI shall have the right to perform post purchase reviews of all loans and request any additional documentation to ensure compliance with FNMA, FHLMC, FHA, VA or submit underwriting and program guidelines;
4. Seller is an approved Seller/Servicer for the Federal National Home Mortgage Association ("FNMA") and/or the Federal Home Loan Mortgage Association ("FHLMC") or HUD;
5. Maximum loan amount allowed with respect to tier level approval with delegated authority on the day the loan is purchased;
6. Each conventional conforming loan must be submitted through FHLMC Loan Prospector ("LP") or FNMA Desktop/Originator ("DU/DO") and receive a minimum of an "accept" Risk Grade file must contain the minimum documentation required per the LP/DU/DO response;

Continued on next page



Delegated Underwriting Addendum to the Correspondent Loan Purchase And Sale Agreement

7. Seller may, on a case by case basis with prior approval by MSI, traditionally underwrite loans that have been sent through LP/DU/DO which have received Risk grade of "Caution." Seller must submit the appropriate request form prior to issuing the approval on behalf of MSI using their delegated authority.
8. All loans must conform in all respects to the Federal National Mortgage Association ("FNMA") the Federal Home Loan Mortgage Association ("FHLMC"), the Department of Housing and Urban Development ("HUD") or the department of Veteran Affairs ("VA") eligibility Requirements, as applicable;
9. Certain programs as designated by MSI shall be eligible for delegated Underwriting by Seller and all loans for employees of the Seller must be underwritten directly by MSI.
10. In the event MSI determines that any Mortgage Loan is ineligible for sale to FNMA or FHLMC, a government loan cannot be insured by HUD or guaranteed by VA; or in the event that repurchase of an Mortgage Loan sold to FNMA or FHLMC becomes necessary due to any defect in the origination and/or underwriting of the Loan, Seller shall repurchase such Mortgage Loan at no loss to MSI within (10) days of MSI's request for repurchase;
11. Seller certifies that they maintain an underwriting department including appraisal review and maintains a quality control policy that randomly selects loans for review after closing and reports the results to the management. These functions must be performed separate from the origination function. Seller certifies that they have provided MSI with their most current Quality Control Policy as part of their approval package and will provide MSI with any revisions made to this policy in the future.

Termination of the Delegated Underwriting Authority contained in this addendum may be terminated by MSI for any reason, and in MSI's sole discretion, upon written notice. Termination of the Delegated Underwriting Authority shall be effective as to all loans submitted to MSI for purchase on or after such notice of termination.

Seller agrees that all of the terms and conditions of the Agreement and the **Mortgage Services III, L.L.C.** (MSI) requirements are in full force and effect except to the extent that they are modified by or inconsistent with this Addendum.

IN WITNESS THEROF, the parties hereto executed this Addendum on the date and year first written above.

Buyer

Seller:

Mortgage Services III, L.L.C. (MSI)

By: _____
 Mark Young

By: _____

Printed Name: _____

Title: President & CEO

Title: _____

Correspondent Approval Tiers

Overview

(2/17/12)

- MSI issues approvals and selling privileges based on Net Worth as well as other approval criteria.
- ✓ Each Correspondent is provided an Approval Tier Level based solely on Net Worth.
 - Correspondents that are **not** approved for Conventional Delegated Underwriting must submit conventional loans to an MSI-approved Contract Underwriter or to MSI for underwriting.
 - The underwriting agreement with the Contract Underwriting Company is between the Correspondent and the Company. The Correspondent is solely responsible to MSI for all Reps and Warrants on the loan.
 - ✓ Correspondents are approved for FHA as follows:
 - FHA Delegated – Correspondent has their full Eagle from HUD and has a DE on staff. Correspondent underwrites and insures their own loans.
 - MSI Sponsored Originator (SO) – Correspondent does not have a DE underwriter on staff. FHA loans are submitted to MSI for underwriting and insuring.
 - The Seller must be specifically approved by MSI to participate in the SO program. See [MSI FHA Sponsored Originator \(SO\)](#) for details.
 - ✓ Correspondents are approved for VA as follows:
 - VA Delegated – Correspondent is approved by VA to underwrite loans. Correspondent underwrites and insures the VA loan.
 - VA Agency – MSI underwrites the loan, the Correspondent insures the loans.

Approval Tier Level	Minimum Net Worth Requirements	Pricing from MSI	If Approved for Conventional Delegated Maximum Authority	If Full FHA or VA Delegated or USDA Delegated
One (1)	\$500,000 - 1 Million	Wholesale	MSI Must Underwrite	To current Agency Guidelines – Provide Approval Documents
Two (2)	\$1 Million – \$1.99 Million	Correspondent	MSI Must Underwrite	
Three (3)	≥ \$2 Million	Correspondent	Loan amounts to \$417,000*	

Notes:

- ✓ Sellers currently approved for MSI “Mod Corr” or approved Correspondent Sellers with less than \$1 Million Net Worth fall under Tier Level One and receive Wholesale Pricing. Sellers must be capable of closing loans in their own name and providing funds for closing. Sellers that do not meet these criteria are considered “Wholesale Lenders”; Pricing is Wholesale and all loans must close in the name of MSI.
- ✓ All loans must be submitted through DU or LP. FHA loans must be submitted through DU/LP TOTAL Scorecard.
- ✓ Maximum Authority is based on the actual dollar amount of the loan not current Fannie/Freddie loan limits per unit.
- ✓ See [Delegated Underwriting Authority](#) for details.
- ✓ *See the specific Product Suites, MSI may permit a higher limit for “High Balance” based on product.