



Mortgage Broker Agreement

THIS AGREEMENT, made this ____ day of _____, 2010, by and between Reliant Funding Group having its principal office at 1910 Cochran Road, Manor Oak II, Ste #545, Pittsburgh, PA 15220 (hereafter referred to as "Lender") and _____, having its principal office at _____, (hereafter referred to as "Broker").

WHEREAS, Broker, in the ordinary course of its real estate brokerage business, desires and intends to participate in the preparation of residential mortgage loan application packages and to assist its customers in the securing of residential mortgage loan commitments; and

WHEREAS, Lender, in the ordinary course of its business makes available a variety of types of loans and financing with respect to residential mortgage loans, and desires to expand the availability of its mortgage loan products by utilization of broker services and facilities in addition to Lender's own retail offices; and

WHEREAS, Lender and Broker, mutually desire that Broker will utilize its staff and facilities to assist Lender in originating and processing loan application packages that are acceptable to Lender, and Lender will make available the funds necessary to finance the residential mortgage loans submitted to and accepted by the Lender; and

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which is mutually acknowledged, the parties agree as follows:

1. LENDER'S DUTIES

The Lender agrees to underwrite the mortgage loan application packages submitted tot by the Broker in its ordinary course of business and to use the same criteria, standards, and procedures as those which apply to all other mortgage loan packages underwritten by Lender in the ordinary course of its business. The Lender will accept only fully documented applications, the submission of which will be the Broker's sole responsibility. The Lender reserves the right to approve, deny, or condition any mortgage loan application package for any reason.

2. REPRESENTATIONS AND WARRANTIES OF BROKER

- a. That it is a duly authorized and existing corporation pursuant to the laws of the state of its incorporation.
- b. That it has the authority to enter into this agreement under any applicable federal law, the laws of the state and any political subdivision in which it operates in addition to its own corporate charter, by-laws, et al.
- c. That under no circumstances at any time will it represent to any third party either orally, in writing, or by implication that it can guarantee approval of any mortgage by Lender.

- d. That it is thoroughly familiar with and will abide by all federal and state statutes or regulations with respect to the solicitation, preparation, and processing of residential mortgage loans, including all disclosure requirements, specifically but not limited to, the following:
- (1) Truth-in-Lending Act, 15 U.S.C. Section 1601, et seq., and Regulation Z as promulgated by the Federal Reserve Board;
 - (2) Equal Credit Opportunity Act, 15 U.S.C. Section 1961, et seq., and Regulation B as promulgated by the Federal Reserve Board;
 - (3) Home Mortgage Disclosure Act, 12 U.S.C. Section 2801, et seq., and Regulation C as promulgated by the Federal Reserve Board;
 - (4) Civil Rights Act of 1968 (Fair Housing Law), 42 U.S.C. Section 3605, and the corresponding regulations promulgated by the Comptroller of the Currency and the Department of Housing and Urban Development; and
 - (5) Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 et seq., and Regulation X as promulgated by the Department of Housing and Urban Development.
- e. Broker shall provide the applicant a Good Faith Estimate of closing costs as required by Regulation X of the Real Estate Settlement Procedures Act.
- f. Where applicable state law permits a mortgage broker and lender to agree among themselves as to which party will comply with certain state disclosure requirements, Broker is hereby designated as the party who must comply. The disclosures covered under this subparagraph (f) shall include, but shall not be limited to, the application disclosures under Part 38.3 of the General Regulations of the Banking Board of New York, as applicable for the state in which the mortgaged property is located. Broker agrees that the use of any disclosure form under this subparagraph (f) is subject to the prior approval of the Lender.
- g. In the event that an applicant rescinds the loan pursuant to Regulation Z of the Truth-in-Lending Act, Broker shall be solely responsible for the refunding of the applicant any fees which applicant paid to the Broker in connection with the mortgage application. If Lender is required by Regulation Z to refund broker fees to an applicant, Broker shall reimburse Lender for the amount of any broker fees refunded.
- h. The Broker understands that the Lender intends to sell closed loans to investors in the secondary market. Broker warrants that in submitting applications to Lender it is in full compliance with all pertinent requirements and warranties of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or such other investors as Lender may identify.
- i. Broker hereby makes and undertakes the additional representations, warranties and covenants as stated in the Manual Guide.
- j. All representations, warranties and covenants made by the Broker are true and accurate as of the day of this Agreement and, with respect to each Mortgage Loan on and as of the date of any delivery to Lender, its successors and/or assigns. All such representations,

warranties and covenants shall survive delivery to, and closing by, the Lender, any assignment of the Mortgage Loan or termination of this Agreement.

k. The Broker will provide a copy of their Graham Leach Billey Compliance Procedures upon submission of the Reliant Funding Wholesale Application. The Broker understands that Reliant Funding will request a copy of any changes to their GLB policies and procedures if those policies are amended at any time as well as an updated copy of those procedures at the time of renewal.

3. LICENSE

- a. To the extent Broker is engaged in mortgage activities which require federal, state, or local licensing, it shall obtain the appropriate licenses and maintain them in good standing at all times during the term of this Agreement.
- b. The parties represent that all times during the term of this Agreement, each will apply for, obtain, and maintain in good standing any licenses in any state in which they conduct mortgage lending activity now or hereinafter required of either party as a condition precedent to that party's lawful engagement and performance of the activities contemplated by this Agreement. Should any such license expire or be suspended, this Agreement and the rights and obligations of one party to another shall automatically terminate. Broker shall provide the lender, upon request, with documentation showing compliance with this section and applicable state law.

4. MONITORING

- a. Broker will monitor and continually supervise all personnel which it allows to take mortgage applications to ensure that there are no violations of any federal or state laws or regulations.
- b. Broker will allow the Lender to monitor compliance with the above stated statutes and regulation.

5. ADVERTISING

Broker may, but shall not be required to, advertise the availability of the Lender's products, provided that such advertisements do not in any way identify the fee arrangement between the Broker and Lender. The Broker shall not use Lender's name in any advertisement without Lender's prior written consent.

6. PROCEDURES AND BROKER DUTIES

- a. Broker will market, promote and solicit applications on behalf of the Lender for loans made available through the Lender. As changes occur, Lender will publish a list of the types of loans it will accept, including interest rates, loan limits, loan-to-value ratios, points, and fees.
- b. Broker will assist in the completion of the loan application and all supporting documents required by the Lender ("Credit Package"). All documents required by the Lender must be completed by the Broker before the Lender will accept any Credit Package.

- c. The Broker will obtain all verifications, exhibits, documentation, evidence and approvals required to conform and document the Credit Package to evidence an Eligible Mortgage.
- d. Upon receipt of the completed Credit Package, the Lender, in its sole discretion, shall determine if and under what terms and conditions to commit to making the requested loan.
- e. The Lender will issue individual loan approvals or declinations to the borrower(s), where required by law, with a copy to the Broker. If direct notice to the borrower is not required by applicable law, Broker is responsible for ensuring that borrower receives the notice in the timeframe required by applicable law. Approval will be issued in written form covering only the particular loan or loans submitted by the Broker for approval and purchase. The Lender reserves the right to stipulate conditions which will be delineated in the commitment letter and must be met and subsequently approved by the Lender prior to closing.
- f. In the event that the borrower fails to meet the conditions of the commitment, the Lender is under no obligation to close the loan. If the Lender chooses to extend the commitment, it may insist on different terms than were originally set forth.
- g. Provided that all Broker obligations specified in this Agreement and all conditions specified in the mortgage commitment have been satisfied, the Lender will proceed with the loan closing. The Lender shall be responsible for all matters relative to and including the loan closing. Loans will be closed in the name of RELIANT FUNDING GROUP Mortgage Corporation (USA).
- h. It is understood by both parties that any lock-in fee paid by the applicants is to be made payable to the Lender and forwarded within five days of rate lock. Any fees due the Broker will be paid on closed loans only. Payment to the Broker is due and payable upon closing of the mortgage.
- i. Broker sells, conveys, transfers and assigns all of its right, title and interest in and to the mortgage loan and mortgage file to Lender on the date of loan closing upon payment of the broker compensation specified herein.
- j. Newly approved Brokers will be expected to submit and fund at least one transaction within 90 days of the execution of this contract. Failure to deliver a file within the 90 day period will result in a 30 day probationary period. A review of your account will be performed at that time to determine if your account should be deemed inactive.

7. INDEMNIFICATION

- a. Broker agrees to indemnify and save harmless the Lender from any acts of negligence, omission, fraud, or malfeasance on the part of Broker's agents, servants, or employees with regard to Broker's performance of this Agreement. This indemnification shall survive the termination of this Agreement.
- b. In no event shall the Lender be liable to the Broker for damages of any nature whatsoever for Lender's failure or refusals to make any loan provided herein.

8. REPURCHASE

In the event any representation or warranty of the Broker is not true, accurate or complete, or in the event of non-performance of the Broker of any covenant, term or condition of this Agreement or the Manual, the Lender may, in its sole discretion, reject the Mortgage Loan prior to closing or require the Broker to repurchase at the net funded loan amount, any closed loan found to be in noncompliance with the above-cited regulations, requirements, and/or warranties as a result of any act or failure to act by the Broker or its agents, servants, or employees.

9. INDEPENDENT CONTRACTOR

- a. Broker shall conduct its business under this Agreement as an independent contractor, and in that regard shall have all the legal rights of an independent contractor.
- b. Broker is not the employee, agent, partner, or copartner of the Lender, and in that technical legal respect is completely independent of the Lender.
- c. The Broker shall have no right to bind or obligate the Lender in any manner, and may not make any representation or commitment, in writing or otherwise, for or on behalf of the Lender.

10. MORTGAGE BROKER COMPENSATION

- a. Any compensation paid by the Lender to the Broker will be solely determined pursuant to the rate sheets published daily by the Lender. The parties acknowledge and agree that (a) the formula used for calculation of the compensation may not be determinative of the reasonable value of the goods, services, facilities and other value added by the Broker, but is intended to produce an amount that is not greater than such reasonable value and (b) the actual reasonable value must be determined based on the facts and circumstances pertaining to the borrower, the Broker and the Lender for each transaction hereunder.
- b. In the event that the Broker makes any additional charges to the borrower, the Broker shall fully disclose such fees to the borrower in accordance with the applicable requirements of state law and shall provide to the Lender a copy of any fee agreement between the Broker and the borrower.
- c. If a mortgage loan originated pursuant to this Agreement is prepaid in full within 90 days from the date of the mortgage loan as the result of a refinance transaction, the Broker shall refund to the Lender any yield spread premium paid by Lender for the loan. The Lender shall give the Broker notice of the prepayment and Broker shall have ten (10) business days from the date of such notice to advise the Lender of the reasons for the prepayment. Lender shall, in its sole but reasonable judgement, make the final determination whether the prepayment is a refinance transaction which warrants a refund pursuant to this section and notify Broker of its decision. Broker shall refund the premium for any mortgage loan subject to this Section 11(C) within five (5) business days from the date Lender demands repayment. If Lender should pursue legal action to enforce the Broker's obligation to repay yield spread premium pursuant to this subparagraph 11 (C), Broker will be liable for all attorney fees and legal costs and expenses incurred by Lender in bringing the action and Lender shall be entitled to reimbursement therefore upon written demand.

11. NO SOLICITATION

Neither Broker nor any affiliate of Broker shall solicit, by means of direct mail, electronic, telephonic or personal solicitation, the mortgagors of any mortgage loans originated by Lender pursuant to this Agreement for purposes of prepayment or refinancing of such mortgage loans. Solicitations that are directed to the general public at large, rather than to specific mortgagors, including mass mailings based on commercially acquired mailing lists, and newspaper and radio advertisements, shall not constitute solicitation under this paragraph 12. Affiliates of Broker for purposes of this paragraph shall include its parent, subsidiaries and companies related to Broker by common ownership.

12. TERMINATION

This Agreement shall continue in full force and effect until such time as terminated by either party hereto. Either party may terminate this Agreement without cause upon thirty (30) days prior written notice to the other, and may terminate for cause immediately, with written notice to the other; however, any applications which have been submitted to the Lender prior to termination without cause will be processed in accordance with the Lender's standard procedures. Lender may, in its sole discretion, refuse to process applications submitted prior to termination for cause. Except as otherwise provided in this paragraph 13, termination shall not affect either party's obligations to the other incurred with respect to applications for Mortgage Loans accepted and/or closed by Lender prior to the date of termination.

13. ADDITIONAL BROKER WARRANTIES

Broker represents and warrants that all loans submitted to Lender shall meet the following conditions, in addition to any other requirements set out in this agreement:

- a. Appraisers:
 - i) Broker warrants that the appraiser's compensation was not affected by the approval or disapproval of the loan, or contingent upon returning a minimal appraised value.
 - ii) Lender reserves the right to refuse appraisals from any appraiser or appraisal firm whose work has been deemed unacceptable in Lender's sole discretionary judgment.
- b. Broker shall execute all documentation required to close and fund loans to be purchased by Lender, including, if applicable, the assignment of the loans transferring and assigning to Lender all right, title and interest in and to said loans, free and clear of any and all claims, charges, defenses, offsets, demands, or encumbrances of any kind or nature whatsoever.
- c. The Note and Security Instrument executed in connection with a loan shall not be modified without Lender's prior written permission. All documents affecting said loan shall be genuine and each shall be legal, valid, and binding upon borrowers.
- d. Lender may fund a loan and may temporarily withhold the Broker's compensation until all funding conditions are met.
- e. The loan shall not be subject to any right of recession, offset, counterclaim or defense, including the defense of usury.
- f. Broker shall not solicit, directly, or indirectly, the borrowers for the purpose of refinancing the loan brokered to Lender for a period of 180 days from funding the loan. If the loan pays off due to a refinance originated by Broker within 180 days of previous funding, Broker agrees to return to Lender the greater of the Yield Spread Premium or 1.50% of the original loan amount, at the Lender's discretion. Payments due under this section shall be paid within 30 days of Lender's notification to Broker of Lender's incurred losses.

14. ENTIRE AGREEMENT

- a. This Agreement contains the entire Agreement of the parties, and no representations, inducement, promises, or agreements, oral or otherwise, between the parties not contained herein, shall be of any force or effect.
- b. Neither the failure of a party to exercise any right given to it under this Agreement, or to insist upon strict compliance by the other party of any obligation under this Agreement, nor custom or practice of the parties or industry at variance with the terms of this Agreement shall constitute a waiver of a party's right to demand exact compliance with the terms of this Agreement from the party.

15. MODIFICATION

This Agreement shall not be modified except by written instrument executed by the Lender and the Broker.

16. PARTIES

This Agreement shall be binding upon and inure to the benefit of the parties, their executors and assigns, except however, this Agreement may not be assigned by the Broker whether by operation of law or otherwise, without the prior written approval of the Lender. Lender shall exercise said right of approval in its sole discretion.

17. INVALIDITY

If any provision of this Agreement is declared invalid, or incapable of being enforced by reason of any rule of law or public policy, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect, and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

18. NOTICES

- a. All notices to the Lender shall be in writing and shall be sent by registered or certified mail, postage prepaid, addressed to its office at:

**Reliant Funding Group
1910 Cochran Road
Manor Oak II, Suite #545
Pittsburgh, PA 15220**

or any such other address as the Lender shall from time to time designate in writing.

- b. All notices to the Broker shall be in writing, and shall be sent by registered or certified mail, postage paid, addressed to its office at:

or any such other address as the Broker shall from time to time designate in writing.

By signing this Agreement, Broker consents to receive faxes, including advertisements, sent by or on behalf of RELIANT FUNDING GROUP Mortgage Corp. at any of the following fax numbers (please list ALL fax numbers to which faxes may be sent):

This consent is effective until revoked in writing. Broker agrees to promptly notify RELIANT FUNDING GROUP Mortgage Corp in writing of any changes in any fax numbers for which consent has been, or is to be provided.

IN WITNESS WHEREOF, this Agreement has been executed the day and year first above written.

Reliant Funding Group

By: _____
Signature

Curt Salvador _____
Print Name

President Correspondent Lending _____
Position

BROKER

By: _____
Signature

Print Name

Position