

## Broker Application Checklist

Thank you for your interest in becoming an approved broker partner with Nations Direct Mortgage, LLC. Nations Direct Mortgage is proud to partner with Comerence Compliance Monitoring for the compilation of applications and continued monitoring of all of our Approved Brokers.

To Obtain Nations Direct Mortgage Approval, you will need to submit a complete application through the Comerence portal at [www.comerence.com](http://www.comerence.com). Please be advised: All of the following "Required" forms and documents must be executed and uploaded to Comerence before the application will be transmitted to us for review.

Required Documentation all docs must be signed w/in 30 days	
<b>Authorization Form</b>	– Must be signed by all 10%+ owners
<b>Broker Agreement</b>	– All pages must be initialed by all owners and the final page executed and dated by principal officer/owner (and the Broker of Record if applicable). Please note: Alterations of the agreement will not be accepted.
<b>Broker Certification Form</b>	– NDM internal form
<b>QC Certification Form</b>	– NDM internal form
<b>CCPA Addendum</b>	– Only required if they conduct business in California
<b>Company Formation Documentation</b>	– Articles of Organization, Articles of Incorporation or Partnership Agreement. Not required if Sole Proprietorship
<b>Contact List of Employees Form</b>	– NDM internal form
<b>Fictitious Business Name Documentation</b>	– Proof of registration of any DBA or other fictitious bus.
<b>IRS W-9 Form</b>	– Must be signed w/in 30 days
<b>Lender Paid Compensation Election Form</b>	– NDM internal form
<b>Mortgage Fraud Warning Notice</b>	– Signed by both Broker of Record and Principal Officer/Owner
<b>Resumes of Principals</b>	– Required from all owners with 10%+ ownership
<b>Resumes of Managers</b>	– Required if they oversee Originations, Processing, and/or Underwriting
<b>Zero-Tolerance Fraud Policy</b>	– Signed by Broker of Record & Principal Officer/Owner
<b>VA Authorized Agent Sponsorship</b>	– Required if originating VA loans
<b>Balance Sheet and Income Statement</b>	(covering prior 12 months) – dated within the last 90 days

Supporting Documentation – additional docs required subject to review	
<b>Audited Financials</b>	– Balance Sheet and Income Statement, dated within the last 90 days, certified/signed by the financial officer of the company
<b>Business Plan</b>	
<b>E&amp;O Policy</b>	– Copies of current policies, including declarations pages, of coverage as required by individual state
<b>Last 3 months' bank statements</b>	
<b>Lender References</b>	– Required if company NMLS original issue date is less than 3 years
<b>LOEs</b>	– Required if scorecard alerts are found
<b>Tax Returns</b>	

Please be advised: The Approval Process will not be initiated until all of the required documentation has been uploaded into the Comerence portal at [www.comerence.com](http://www.comerence.com). Missing documentation will result in substantial delays in the processing of your broker approval request.



866.762.3940



myndm.com



brokerdirect@myndm.com

## MORTGAGE BROKER AGREEMENT

Company Legal Name: \_\_\_\_\_ NMLS ID#: \_\_\_\_\_

Db a (if any): \_\_\_\_\_


Account Executive: \_\_\_\_\_

Pursuant to this Mortgage Broker Agreement (the "Agreement"), Nations Direct Mortgage, LLC ("Lender") and Broker (as identified above) together known as "the Parties" hereby agree as follows:

1. **ORIGINATION**. Broker, at its sole expense and discretion, may submit to Lender on behalf of a prospective Borrower(s), application(s) for a residential mortgage loan ("Mortgage Loan") which conforms to all the requirements of the specific mortgage loan program at the time the application is submitted. Broker shall be responsible for determining whether an application meets the terms and requirements of the programs provided and Lender shall have no obligation to accept a Mortgage Loan which does not comply with those terms and requirements. The acceptance or processing of any loan application shall not be construed as a commitment by Lender to fund the Mortgage Loan. The decision to approve any loan application or to purchase any closed Mortgage Loan shall be at the sole discretion of Lender. Broker shall not make any commitment to any loan applicant, seller, real estate agent, or other third-party on behalf of Lender without Lender's prior written approval. All Loans submitted hereunder shall close in Lender's name.
2. **COMPLIANCE WITH POLICIES**. Broker shall comply with the terms of this Agreement, Lender's Program Guidelines, and all of Lender's policies and procedures in conjunction with the registration of Mortgage Loan applications for Mortgage Loans under Lender's programs. Broker has no authority to obligate, commit or bind Lender for any purpose without Lender's prior written consent. Lender, at its sole discretion, may revoke Broker's authorization to submit loan applications under this Agreement at any time with or without cause.
3. **DOCUMENTATION**. Each Mortgage Loan must be submitted in accordance with Lender's Program Guidelines and be on forms acceptable to Lender. For each Mortgage Loan, Broker shall submit to Lender an application signed by the applicant(s) and any credit, financial and other information necessary for Lender to investigate, underwrite, and fully review the Mortgage Loan application. Broker shall assist Lender in obtaining any additional information needed by Lender and, if applicable, facilitate the closing of the Mortgage Loan transaction. Broker shall maintain a complete and accurate account, satisfactory to Lender, of all funds collected and paid relating to the Mortgage Loan(s). The contents of the Mortgage Loan package submitted to Lender shall immediately become the property of Lender, and all information therein may be subject to Lender's independent verification; provided, however that any investigation by Lender of such information shall in no way release the Broker from its duties pursuant to this Agreement.
4. **BROKER'S WARRANTIES**. Broker represents, warrants, and covenants to Lender, as of (i) The time this Agreement is executed, (ii) The time any Loan package is submitted to Lender, and (iii) as of the time the Loan is funded and closed through the life of the Loan, all of the following:
  - a. **Authority and Capacity**. Broker is a duly organized and validly existing entity in good standing in its state of formation and is properly licensed and registered in such state or other states in which it is engaged in the business of originating mortgage loans, and that it has the requisite authority and capacity to enter into this Agreement and the Agreement has been duly authorized, executed and delivered by Broker and constitutes a valid and binding obligation of Broker, enforceable in accordance with its terms. Broker's compliance with the terms and conditions of this Agreement will not violate any provisions of its charter documents, any instrument relating to the conduct of its business, or any other agreement, law or regulation to which it may be a party or under which it may be governed. Broker further acknowledges and agrees that Lender does not accept any Mortgage Loans where there is more than one broker involved in the Mortgage Loan (a co-broker arrangement).

Initial: \_\_\_\_\_  
Broker & Owner

- b. **Broker Approval.** All of the statements, information, and documentation submitted by Broker to Lender in connection with Broker's application to become an approved Broker, including any statements, information, and documentation submitted by Broker in connection with periodic renewals or recertification of Broker's approval are and will be true, correct, and complete in all material respects. Upon submission of this Agreement and the application that accompanies it, until such time as Lender shall change its policy and notify the Broker in writing of such change, Broker agrees to create and maintain a current and valid profile through our third-party broker monitoring partner, Comergence Compliance Monitoring (www.comergence.com). All documentation will be submitted and controlled through the Comergence system and Broker hereby agrees to keep all information contained therein current and respond to any and all inquiries or questions which may arise due to this ongoing monitoring. Notwithstanding the above, Broker shall notify Lender within 5 days of any occurrence which would jeopardize the Broker's ability to originate loans or remain party to this agreement.
- c. **Duly Licensed.** Broker possesses all necessary licenses, permits and authority to conduct a mortgage brokerage business and to engage in the activities contemplated by this agreement. In addition, all Mortgage Loan Originators, as defined under the Secure and Fair Enforcement Mortgage Licensing Act ("SAFE Act"), who will conduct licensed activity on a mortgage loan submitted to Lender are properly licensed and/or registered within the National Mortgage Licensing System (NMLS) in the jurisdiction in which the subject property is located as of the date the application was taken. Broker hereby agrees to provide Lender with the names of all Loan Officers associated with their mortgage brokerage business upon request. Lender will verify the licensing status of all Loan Officers at the time each Mortgage Loan Application is submitted and throughout the loan process to ensure the loan is properly handled by a licensed Loan Originator.
- d. **Absence of Claims.** Except as previously disclosed by Broker to Lender in writing, to the best of Broker's knowledge, there is no pending or any threatened suit, action, arbitration, legal administrative proceeding, or any other governmental proceeding or investigation (including an allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees, which could have a material adverse effect on the Broker's business, assets, financial condition, operations, or reputation.
- e. **Verification of Mortgage Loan Documents.** All information submitted by Broker to Lender with regard to the Mortgage Loan, including all written material, are represented and warranted by the Broker to be true, correct, currently valid, and genuine. The Mortgage Loan package does not contain any false, fraudulent, inaccurate, or erroneous information or statements, and does not omit any material facts necessary to make any statement or information included in the Mortgage Loan package true, accurate, and/or understandable. No advance fee, note, loan, postdated check, or other form of compensation or obligation were taken in connection with any Mortgage Loan by the Broker, unless permitted by applicable law. All other representations as to each such Mortgage Loan are true and correct and meet the requirements and specifications of all parts of this Agreement. The closing of a Mortgage Loan by Lender shall in no way relieve Broker from or constitute a waiver of any of the requirements of this Agreement for any Mortgage Loan or from the representations and warranties made as to every Mortgage Loan under the terms of this Agreement.
- f. **Fraud.** Lender maintains a ZERO TOLERANCE Fraud Policy a copy of which will be included with this Agreement to be executed by the Broker. In signing this agreement and the Zero Tolerance Statement, Broker warrants as follows:
  - i. Broker shall not submit any application for a mortgage loan, nor any supporting documentation required for the approval of such mortgage loan, containing fraudulent or misrepresented information. Broker shall be fully responsible for all actions taken in performing its obligations under this Agreement and in relation to this warranty, whether any such information is submitted by the Broker, its employees, agents/licensees, the applicant(s), or any other third party involved in the origination of the Mortgage Loan. Broker shall cooperate in any fraud or excess delinquency investigations conducted by Lender or its agent or designee. BROKER UNDERSTANDS THAT BY MAKING THE WARRANTY CONTAINED IN THIS SECTION 4(F) IT IS WARRANTING THE ACCURACY OF ALL INFORMATION CONTAINED IN ANY LOAN PACKAGE SUBMITTED TO LENDER, WHETHER OR NOT SUBMITTED BY BROKER AND WHETHER OR NOT BROKER HAS KNOWLEDGE OF, OR REASON TO SUSPECT, ANY INACCURACY.

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Broker & Owner

- ii. In the event that Lender has reason to believe an event of fraud or misrepresentation has occurred in connection with a closed loan file, Broker shall unconditionally repurchase any such Mortgage Loan immediately and refund to Lender any and all premium paid by Lender to Broker. In addition to required repurchase in the event of a funded loan containing fraud or misrepresentation, Broker further understands that in the event the Lender reasonably believes there has been some form of fraud or misrepresentation made in connection with a mortgage loan, regardless of whether the loan was funded, the Lender has a duty to report any such incidences of fraud, misrepresentation, or other suspicious activity to the appropriate State and Federal regulatory authorities, as required by the Bank Secrecy Act and Lender's internal Anti-Money Laundering Policy and Lender will not hesitate to do so. Broker acknowledges the importance of Lender's right and necessity to disclose such information. Therein, Broker waives any and all claims for liability, damages and equitable or administrative relief in connection with Lender's disclosure of such information.
- g. **Compliance with Laws.** Lender is committed to complying with all laws and regulations governing the origination, funding, and servicing of mortgage loans and requires that Broker shall comply with all laws and regulations applicable to it as a Broker under any and all Federal regulations, as governed by the Consumer Financial Protection Bureau (CFPB) or any other federal agency. These federal regulations include, but are not limited to the following, as they read today and as they may be amended under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank): the Real Estate Settlement Procedures Act (RESPA) and Regulation X, the Truth in Lending Act (TILA) and Regulation Z, the Equal Credit Opportunity Act (ECOA) and Regulation B, the Fair Housing Act, Fair Credit Reporting Act, the Privacy Act, the Fair Debt Collections Practices Act, the SAFE Act, the Bank Secrecy Act, TILA-RESPA Integrated Disclosure Rule ("TRID") amending both Regulation Z and Regulation X, as well as all promulgated rules and regulations relating thereto, and all other federal, state and local laws and regulations that govern mortgage origination and the services appurtenant thereto. Broker shall also strictly comply with all applicable laws prohibiting predatory lending, lending discrimination, and unfair or deceptive practices.
- h. **Fair Lending.** Broker shall provide fair and equitable treatment to all home loan applicants, regardless of race, color, gender, marital status, familial status, immigration status, sexual orientation, religion, disability or national origin. Any act of discrimination violates Lender's Fair Lending Policy and will be deemed grounds for termination of this agreement.
- i. **Borrower's Authorization.** Broker has received written authorization from the Borrower to submit the Mortgage Loan Application to the Lender and for Lender to view and verify Borrower's credit information and all other information contained in the Loan Package.
- j. **Agreement with Credit Information Providers.** Broker shall strictly comply with all applicable laws and regulations regarding the access of consumer credit, including but not limited to the Fair Credit Reporting Act and its implementing regulations. Broker agrees to utilize only those credit vendors approved by Lender and Lender shall provide a list of such approved credit providers to the Broker upon request. Broker acknowledges and agrees that upon permission of the borrower to submit the loan to Lender and upon further written permission granted by Broker that Lender may be granted access to a re-issued credit report initially requested by Broker. In no case will Lender access a borrower's credit report as pulled by Broker without the written authorization from such Broker that Lender may act on its behalf.
- k. **Initial Disclosures.** Broker is responsible for the timely delivery of all initial disclosures to the borrower as defined by the above referenced regulations and applicable to a brokered transaction. Specifically, the broker will be expected to provide an accurate and timely Loan Estimate (LE) of charges as required under the TILA-RESPA ("TRID") rule within three (3) days of receipt of an application from the borrower, as defined under that Act, or elect the option to have the Lender disclose the LE to the borrower(s) provided an acceptable submission package is received by the Lender within 24 hours of an application from the borrower and provided that the Broker has elected that option in writing per the Broker LE election form. Lender relies upon Broker to provide all third party fees based upon the best information available at the time of issuance of the initial Loan Estimate. Failure to timely notify the Lender of any change, which increases costs above acceptable tolerances will result in the Broker covering the increase in costs at the time of settlement.
- l. **Control of Documents.** Except where Borrower has been asked to submit any loan documents directly to Broker, no Borrower shall have had in its direct or indirect possession or control any completed credit, income, employment, or deposit verification document submitted to Lender with respect to any loan.

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- m. **Ownership; Conflict of Interest.** Unless disclosed to Lender in writing, Broker shall have no direct or indirect ownership interest or financial interest in any property serving as security for a Mortgage Loan, in any appraisal firm, title company, escrow company or notary providing settlement services on a Mortgage loan, nor shall broker have any financial interest, whether evidenced by ownership or debt, in any property serving as security for a Mortgage Loan at any time prior to funding of the Mortgage Loan by Lender.
- n. **No High-Cost Mortgages.** Broker agrees that no Loan submitted to Lender will meet the definition set forth in Section 1026.32(a) of Regulation Z or is otherwise subject to any High-Cost or Predatory Lending Provision of Reg. Z as promulgated by the CFPB and the Federal Reserve Board or any applicable state law.
- o. **Borrower's Repayment Ability.** Broker will consistently consider the financial ability and creditworthiness of the borrower to repay the loan in order to avoid default and foreclosure. Broker will determine the creditworthiness and ability to repay through the use of objective, empirically derived, statistically significant credit bureau scoring, calculation of the borrower's existing and proposed debt-to-income ratio, and any other proprietary factors, and will not rely solely on the equity in the home as the means of determining the borrower's ability to repay. Broker will only submit applications for loans that will be a benefit to the borrower and for which the borrower has exhibited a clear ability to repay.
- p. **No Additional Fees.** Broker represents and warrants that Broker shall be responsible for all costs and expenses of Broker and Broker's services providers, including but not limited to third-party credit providers, and Lender shall have no responsibility or liability thereto. Further, Broker will not advance funds to or induce, solicit, or knowingly receive any advance of funds from a borrower or any other party, directly or indirectly, for the payment of any amount required to be paid with respect to the Mortgage Loans.
- q. **Delays at Settlement.** Lock Extensions resulting in an increase in cost to the borrower, after closing documents are issued, will be covered by Broker, in accordance with 5(e) or 5(f) of this agreement.
- r. Broker is prohibited from advertising or marketing on Lender's behalf any time before, during, and after the origination of the loan, except in instances where Broker is utilizing pre-approved marketing devices created by Nations Direct Mortgage, LLC., without edit and containing complete contact and licensing information of Broker.

##### 5. **BROKER COMPENSATION; FEES.**

Broker and Loan Originator Compensation is regulated Federally by the Truth in Lending Act (TILA) as amended, supplemented, and controlled by the Dodd-Frank Act and any other associated regulations as enacted by the Consumer Financial Protection Bureau (CFPB). The required documentation and disclosure of any and all Broker origination fees or charges is regulated by the Real Estate Settlement Procedures Act (RESPA). Broker shall strictly comply with all regulations as outlined in the TILA-RESPA Integrated Disclosure (TRID) Rule and all laws, rules, and regulations promulgated thereunder. Broker agrees at all times, and with every mortgage loan application, to fully comply these statutes, as well as with any state-specific laws and regulations that would apply to a given mortgage loan. Compliance includes, but is not limited to, the following:

- a. For every mortgage Loan transaction submitted to NDM, Broker must choose the source of Broker's compensation: Lender Paid Compensation (LPC) or Borrower Paid Compensation (BPC). Broker will inform NDM of the Broker's choice at the time of initial submission of the application.
- b. **Dual Compensation Prohibited**. Broker understands and agrees that Broker Compensation may only be paid by one source, either the Lender or the Borrower, and compensation received from both the Borrower and any person or entity other than borrower (including NDM) for the same transaction is prohibited under the CFPB's loan originator compensation regulations.
- c. No consideration of any kind or from any source shall be due or payable on any Mortgage Loan transaction unless and until 48 hours after confirmation that the Mortgage Loan has been funded and closed by Lender. No Broker compensation will be due and payable from Lender to Broker if proposed Mortgage Loan is not accepted by Borrower and funded by Lender.

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Broker & Owner



- d. In order to receive **Lender Paid Compensation**, Broker must complete a Compensation Election Form, defining a valid Compensation Plan. The Compensation Plan will define exactly the amount (generally a percentage of the loan amount, along with an optional selection of a minimum or maximum compensation amount) the Broker will be paid on each loan funded by NDM under the LPC selection. The Compensation Plan selected will remain in force unless and/or until Broker elects a different Compensation Plan by submitting a new Compensation Election Form. Restrictions apply to the terms of the Compensation Plan and as to how often Broker can make changes to the Compensation Plan.
- i. The Compensation Election Form and any restrictions can be found at [www.nationsdirectmortgage.com](http://www.nationsdirectmortgage.com). Lender reserves the right to amend the Compensation Plan Elections and any Restrictions associated with Compensation Plans at any time, without notice.
- e. For a Lender Paid Compensation Transaction, the Broker compensation cannot vary per loan transaction. NDM will not pay the Broker any more or any less than the amount agreed upon in the Compensation Plan. Under a Lender Paid Compensation Plan, Broker agrees that Broker will reduce Broker's own compensation by offering credits towards third-party closing costs, not disclosed in accordance with 4(k) of this agreement, or Lock Extensions occurring after closing documents are issued in accordance with 4(q), which will result in a reduction of the Broker's compensation. By choosing the Lender Paid Compensation Plan, Broker may not receive any compensation from the consumer or from any other party, person, or entity, regardless of whether such compensation is paid at closing or outside of escrow. Broker certifies that when compensation is paid by Lender with respect to each Mortgage Loan transaction, such amount is and will be Broker's sole source of compensation.
- f. All **Borrower Paid Compensation** due to the Broker in connection with the Mortgage Loan will be paid either from the Borrower's own funds (or from another source on behalf of Borrower) or may be deducted from the proceeds of the Mortgage Loan in accordance with the Mortgage Loan closing instructions. Borrower Paid Compensation is negotiated by the Broker directly with the Borrower; therefore, NDM will neither be responsible, nor a party to any Broker negotiations with the Borrower. Broker agrees to charge only such fees for its services and such expenses as are permitted by applicable law and regulation and that in choosing to be paid by the Borrower, agrees that the Broker may not receive any compensation directly or indirectly from any other person or entity, regardless of whether such other compensation is paid through closing or outside of escrow. Broker agrees that Broker will reduce Broker's own compensation by offering credits towards third-party closing costs, not disclosed in accordance with 4(k) of this agreement, or Lock Extensions occurring after closing documents are issued in accordance with 4(q), which will result in a reduction of the Broker's compensation.
- g. **Anti-Steering Disclosure.** In accordance with Regulation Z, Section 1026.36(d) and (e), and any subsequent amendments thereto, which implements TILA, Loan Originators and Mortgage Brokers are prohibited from steering Borrowers to accept a Mortgage Loan based solely on the fact that the Loan Originator will receive greater compensation for arranging a Mortgage Loan unless the transaction is in the Borrower's interest. For each Mortgage Loan submitted by the Broker to NDM, regardless of whether the compensation source is Borrower Paid or Lender Paid, the Broker must provide to the Borrower a Loan Options Disclosure which describes the options ("Loan Options") that must be presented to the Borrower for each type of Mortgage Loan in which the Borrower expresses an interest.
- At a minimum, the Loan Options Disclosure must contain a notice and acknowledgment by a representative of the Broker that the following have been offered to the Borrower for each type of Mortgage Loan in which the Borrower has expressed an interest:
1. The loan with the lowest interest rate;
  2. The loan with the lowest interest rate without certain specified features, such as negative amortization, a prepayment penalty, interest-only payments, a balloon payment within the first 7 years of the loan, a demand feature, shared equity or shared appreciation; and
  3. The loan with the lowest total dollar amount for origination points or fees and discount points.

Broker must obtain Loan Options from three or more Mortgage Lenders with which the Broker regularly and currently does business. In the event that the Broker does not do business with three or more Mortgage Lenders, the Loan Options must be obtained from those Mortgage Lenders with which the Broker does business. With regard to the Loan Options presented to the Borrower in the Disclosure, the Broker represents that he or she has a good faith belief that the Borrower likely qualifies for each one. The Broker can present more than three Loan Options to the Borrower provided the Broker highlights the three Loan Options which satisfy the criteria above.

For ARM Loans, the lowest interest rate is determined by the fully-indexed rate at closing without regard to discounts or premiums.

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Broker & Owner



- h. **Payment of Loan Officers.** Broker shall be solely responsible for the payment of compensation to its loan officers. Broker agrees that all compensation paid by Broker to Broker's loan officers must be in compliance with all of the requirements of TILA and Regulation Z's LO Compensation Rule, as well as all applicable Federal, State, and Local Laws and Regulations.
- i. **Changes to Lender Paid Compensation Plan.** When Broker opts to receive compensation from NDM (LPC), Broker will be given the opportunity to choose the compensation plan that best suits their business at the time they complete their Compensation Election Form. Broker will be allowed to change this Compensation Election once each month, or at the Lender's discretion. Changes made during the month will become effective on the first business day of the month immediately following the change date unless otherwise permitted by Lender. Any changes made will not affect loans already in process ("submitted" prior to the Effective Date of the updated Election Form), changes will only affect applications submitted on or after the first day of the month in which the new compensation selection becomes effective. A new Compensation Election Form will be required each time the compensation selection is changed and that Form will remain in effect until such time that Lender receives and confirms receipt of an updated Election Form.

## 6. **DEFAULT; REMEDIES.**

- a. **Indemnification.** Broker shall indemnify and hold Lender harmless from and against any and all loss, claim, damage, liability, and cost sustained or incurred by Lender, including all costs and reasonable attorney's fees and costs, arising out of or based upon the inaccuracy or breach of any warranty or representation made by Broker in this Agreement, the breach by Broker of any obligation or covenant to be performed by Broker under this Agreement, or any claim by a Mortgage Loan applicant arising out of a failure or refusal to fund a Mortgage Loan. In the event of any claim against Lender or Broker by a Mortgage Loan applicant, Lender shall have the exclusive right to determine the conduct and defense of such legal proceeding or investigation with such Mortgage Loan applicant including, without limitation, the right to compromise, settle, defend or continue any such action. Lender shall have the right but shall be under no obligation, to assume the legal defense of Broker, and Broker shall pay Lender its reasonable share of legal costs and expenses.
- b. **General Repurchase Obligation.** Broker agrees to repurchase from Lender any Mortgage Loan made pursuant to this Agreement, upon the terms and conditions set forth herein, in the event the broker has breached any of the terms of this Agreement. Broker shall effectuate the purchase of any Mortgage Loan required to be repurchased pursuant to this Agreement within ten (10) days after Broker's receipt of written demand for repurchase from Lender. The repurchase price for any Mortgage Loan that Broker is required to purchase hereunder shall be an amount equal to the sum of (a) the then unpaid principle balance of the Mortgage Loan; (b) accrued interest through the date of purchase; (c) all unreimbursed advances and extraordinary costs and expenses incurred by Lender with regard to such Mortgage Loan during the life of the Mortgage Loan; (d) all other costs and expenses incurred by Lender including penalties incurred by Lender from any investor, or servicer and reasonable attorneys' fees incurred in connection with the purchase; and (e) any fees paid by Lender, including but not limited to all fees and costs paid to Broker and/or other parties for goods and services rendered in connection with the origination and closing of such Mortgage Loan. Upon purchase of a Mortgage Loan by Broker, Lender shall endorse the note and shall assign the Mortgage in recordable form to Broker, without representations and warranties, whether express or implied and without recourse to Lender.
- c. **Early Pay-Off (EPO) Premium Recapture.** If Borrower(s) prepays a Mortgage Loan in full within 180 days of the first payment due date for any reason, Broker shall pay to Lender an indemnification amount equal to all compensation paid to Broker on the loan transaction from any source. Throughout the term of this Agreement, Lender will monitor the frequency of any such EPO activity on loans submitted by Broker and should Lender determine, in its sole and exclusive discretion, as a result of such monitoring, that the frequency of EPO Activity on loans submitted by Broker be deemed excessive, such a finding shall be deemed a valid basis for a declaration of default of this Agreement on the part of the Broker and justification for immediate termination of this Agreement.
- d. **Early Payment Default (EPD).** In the event the Borrower(s) of a Mortgage Loan originated by Broker shall be deemed an Early Payment Default, Broker agrees to pay to Lender an amount equal to all compensation paid to Broker on the loan transaction from any source. A loan is deemed to be an Early Payment Default if any of the first six (6) payments due under the mortgage note become more than 60 days contractually past due.

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Broker & Owner



- e. **Non-Waiver of Remedies; Right to Offset.** Lender is not required to demand repurchase or indemnification within any particular period of time. Any delay or passage of time before making such demand shall not constitute a waiver by Lender and nothing contained in this provision shall limit Lender's right to any remedy, legal or equitable; all such legal and equitable remedies, including those provided for herein, being in addition to and not in lieu of any other remedy. Lender may, in its sole discretion, and without prior notice or demand to Broker, take an offset against any monies due for any reason from Lender to Broker for any reimbursement amount due from Broker to Lender as a result of any EPD, EPO, or indemnification and any such offset taken by Lender shall not, under any circumstances, constitute or be deemed to be an accord and satisfaction of any such outstanding amount or matter unless and until Lender confirms such accord and satisfaction in writing.
7. **ATTORNEY-IN-FACT.** Broker irrevocably appoints Lender as its attorney-in-fact with full power of substitution for and on behalf of Broker for the limited purpose of endorsing any checks, instruments or other papers representing payments on Mortgage Loans funded by Lender. Broker further consents to Lender completing, executing, delivering and recording any assignment or other documents, to endorse any Mortgage Loan note in the name of Broker, and do every act or thing necessary or desirable to effect transfer of a Lender-funded Mortgage Loan Note or Mortgage or any related collateral to protect the interest of Lender, and/or its agents or assigns, in the collateral for the Mortgage Loan(s).
8. **NONEXCLUSIVE AGREEMENTS.** Nothing contained herein shall obligate Broker to submit all loan applications to Lender, nor shall Lender be obligated to approve and/or fund any Mortgage Loan submitted to it by Broker, it being expressly understood by and between Lender and Broker that this is a nonexclusive Agreement. Additionally, nothing contained herein shall constitute a partnership or joint venture between or among Lender and Broker. The Parties hereby expressly agree and acknowledge that, with regard to the subject matter of this Agreement, they are, and at all times governed by this Agreement shall be, operating as independent entities pursuant to a contract. Broker shall at no time and under no circumstance represent or hold himself out to any third party, either expressly or impliedly, as an agent or employee of Lender. Broker shall at no time make use of any trade or service mark or logo of Lender without the express and specific written consent of Lender. Broker has no authority, either expressly or impliedly, under this Agreement or otherwise, to enter into any contract or agreement with any third party by or on behalf of Lender.
9. **ELECTRONIC SERVICES**  
Lender may from time to time directly or indirectly make available to or provide or arrange access to Broker, Broker's employees, agents and/or customers' various electronic systems, services, and content (collectively, "Electronic Services"), including, without limitation: a) any software, system, electronic tool including, without limitation, interactive tools, internet capability, site or service, hardware, device, or communications facility (collectively, "Electronic Tools"); and/or b) any information, data, forms, documents, reports, calculations or other content whether provided through Electronic Tools or otherwise (collectively, "Content"). All or any part of the Electronic Services may be developed, licensed and/or provided by third-party licensors, vendors, subcontractors or other third-party sources (collectively, "Sources").
- a. Lender and/or any Sources, at any time, with or without notice, may monitor, modify any aspect of, limit or terminate Broker's, customers', or Broker's personnel, agents, and associated persons' use or access to any of the Electronic Services.
- b. Lender and/or Sources may provide Broker, and/or its personnel, agents or customers (each of the foregoing an "Authorized User") with one or more digital certificate(s), identifiers, user name(s) and/or password(s), which may be required to access or use any, some or all Electronic Services (collectively, "User Codes(s)"). Broker agrees that: a) Broker will not, nor will Broker permit any other person to, remove, modify, exchange, disable, penetrate or otherwise defeat such security procedures; b) Broker will restrict access to the User Codes and the Electronic Services to those persons who are duly authorized to have such access on Broker's behalf or on behalf of the applicable customer, as applicable; c) Broker is responsible for ensuring that all information contained in any request for a User Code is complete and correct; d) Broker will not use and Broker will ensure that none of Broker's employees or agents use any User Code issued to a Borrower e) Broker is responsible for all acts or omissions that occur under any User Code issued to an Authorized User; and, f) Broker will notify Lender or the applicable Source immediately in writing in the event that Broker learns that the authority or employment of any Authorized User (whether at Broker's firm or a customer) has been or is about to be terminated (in which case Broker agrees to promptly return to Lender any security device previously issued to such Authorized User or Customer); the confidentiality of any User Code issued to any Authorized User or a customer has been compromised in any way; or Broker learns about a possible or actual unauthorized access to and/or use of the Electronic Services.

Initial: \_\_\_\_\_  
Broker & Owner





- c. Broker will be responsible for all instructions and transmissions that are identified by any of the Electronic Services as coming from an Authorized User, and all consequences thereof, whether entered by authorized or unauthorized personnel or by any other person. Furthermore, Broker agrees that any agreement, consent or assent communicated from such access to the Electronic Services under a User Code issued to one of the Authorized Users at Broker's firm will be deemed to be a duly signed writing of Broker sufficient to bind Broker thereto.
- d. Lender obtains Content from internal and external Sources Lender believes to be reliable. The accuracy, completeness, timeliness or correct sequencing of the Content cannot be guaranteed by either Lender or any Source. Neither Lender nor any Source will be liable for the accuracy of, or availability of, such Content or will have any duty to verify, correct, complete or update any Content.
- e. LENDER AND ITS CONTROL PERSONS, SUCCESSORS AND ASSIGNS, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS (COLLECTIVELY, "LENDER'S PERSONS") AND THE SOURCES HERBY EXPRESSLY DISCLAIM ANY AND ALL WARRANTIES, GUARANTIES, CONDITIONS, COVENANTS AND REPRESENTATIONS RELATING TO ANY ELECTRONIC SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY RELATING TO MERCHANTABILITY, QUALITY, ACCURACY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, TIMELINESS, ABSENCE OF VIRUSES OR DAMAGING OR DISABLING CODE, AND ANY WARRANTIES OR REPRESENTATION (I) THAT ANY ELECTRONIC SERVICES OR ACCESS TO ANY PORTION OR IT WILL BE UNINTERRUPTED OR ERROR-FREE, OR (II) THAT DEFECTS IN SUCH ELECTRONIC SERVICES WILL BE CORRECTABLE OR CORRECTED. NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, LENDER, NOR ANY LENDER'S PERSON OR SOURCE WILL BE LIABLE FOR ANY LOSS, COST, CLAIM OR DAMAGE (INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOST PROFITS) ARISING OUT OF OR OTHERWISE RELATING TO ANY ELECTRONIC SERVICES OR THE USE OR ACCESS TO OR UNAVAILABILITY OR ANY OF THE SAME.
- f. Electronic Services will also be subject to the terms of the Lender Access Agreement and/or such other agreements that govern the use of Lender electronic information systems and/or a separate user agreement that governs its use and the rights and responsibilities of Lender, Broker, Broker's employees and Broker's customers with respect to particular Electronic Services. In the event of a conflict between this Agreement and the Lender Access Agreement and/or such other agreements that govern the use of Electronic Services, this Agreement will control to the extent of the conflict.
- g. Broker will not distribute any Content to any person, except in the course of carrying out this Agreement.

## 10. GENERAL PROVISIONS

- a. **Effective Date.** This Agreement shall be deemed effective as of the date of execution, as indicated by Broker's signature below. This Agreement shall remain in effect until it is superseded by an updated agreement or terminated by either party as permitted below.
- b. **Termination.** This Agreement may be terminated at any time by mutual agreement of the parties or upon written notice by one party to the other. In the event that notice of termination has been communicated to Broker, Lender shall not be obligated to fund any pending Mortgage Loans originated by broker.
- c. **Survival of Warranties.** This Agreement and the warranties, representations and covenants contained herein and Broker's liability to Lender of any nature or kind, with respect to Mortgage Loans funded by Lender shall survive the termination or cancellation of this Agreement, the sale or assignment of any Mortgage Loan and the foreclosure of any Mortgage Loan. Lender may rely upon Broker's warranties, representations and covenants, irrespective of any knowledge Lender may have, and Broker shall not be relieved of any liability to Lender unless Lender waives, in writing, a breach of any warranty or representation. Further, Broker shall not be relieved of any liability to Lender as a result of, nor may Broker assert a claim or defense based on, Lender approval of any application or acceptance of any Mortgage Loan documentation.
- d. **Notices.** Except as to routine business matters, any and all communications between the party hereto or notices provided herein to be given shall be delivered in person or sent by certified or registered mail, return receipt requested, to the Broker at the address set forth above and to Lender at 5 Hutton Centre Drive, Suite 200, Santa Ana, CA 92707 ATTN: Broker Relations Department.

Initial: \_\_\_\_\_  
Broker & Owner




- e. **Assignment.** Broker may not assign this Agreement or its duties hereunder. In the event that Lender assigns any of its right in the applications and/or Mortgage Loan(s) made pursuant to this Agreement, such assignee shall have the same rights as Lender with respect to this Agreement.
- f. **Confidentiality.** Broker agrees to comply with the privacy and safeguarding requirements of the Dodd Frank Act, Gramm-Leach-Bliley Act, and the appropriate regulations and guidelines thereunder, and the requirements of any state privacy and safeguarding requirements, with regard to the information of Lender and its affiliates that is subject to such act, regulations, guidelines and/or requirements. In connection therewith, Broker shall take appropriate actions to address incidents of unauthorized access to such information, and shall notify Lender as soon as possible of any incident of unauthorized access to such information. Broker further agrees not to sell, transfer or otherwise give to any person or firm, or otherwise use, directly or indirectly, any compilation or list of Lender borrowers. A breach of Broker's confidentiality obligations may cause Lender to suffer irreparable harm in an amount not easily ascertained. The parties agree that such breach, whether threatened or actual, will give Lender the right to obtain equitable relief and pursue all other remedies said party may have at law or in equity
- g. **Consent to share Information with Third Party Service Providers.** Broker hereby consents to the sharing of certain corporate information regarding Broker received by Lender by executing the consent set forth in Exhibit A.
- h. **Entire Agreement.** This Agreement and all attachments hereto constitute the entire Agreement between the parties and supersede all prior and contemporaneous agreements, representations and understandings. No supplement, modification or amendment shall be binding unless executed in writing by both parties.
- i. **Applicable Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflict of laws. The Parties, each submits for itself and its property in any legal action or proceeding relating to this Agreement, or any amendments thereto, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of California, in the County of Orange, federal courts of the United States of America and appellate courts from any thereof.
- j. **Severability.** If any provision or part of this Agreement is deemed invalid or unenforceable under applicable laws, the remainder of this Agreement shall not be affected thereby, and shall be fully enforceable to the extent of the valid portions thereof.
- k. **Signatures.** For the purpose of this Agreement and any exhibit hereto, facsimile and electronic signatures are sufficient to bind the Parties and will be deemed to be original signatures for all purposes. Electronic signatures will only be sufficient so long as the Broker completes all required fields on the Mortgage Broker Application and provides such information and electronic signature with the intent to enter into this Agreement.
- l. **Facsimiles and Emails.** Broker hereby consents to receive certain communications from Lender via facsimiles or e-mails. Please note that certain applicable laws do not require this from the Broker. Lender considers all inquiries for a Broker application as an established business relationship and may provide communication to the Broker pursuant to that relationship, unless otherwise notified by the Broker that he/she does not wish to receive such communications. If a Broker wishes to Opt-out of receiving any materials via facsimile or e-mail then it must follow the appropriate opt-out procedures as noted on such materials.
- m. **Counterparts; Other.** Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except by a writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, which taken together shall constitute one and the same instrument.

Initial: \_\_\_\_\_  
Broker & Owner



IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers as of the date first above written.

Nations Direct Mortgage	BROKER of Record	Principal Officer/Owner
By _____	By _____	By _____
Name _____	Name _____	Name _____
Title _____	Title _____	Title _____
Date _____	Date _____	Date _____

\*REQUIRED: Please completed attached excel spreadsheet with contact information for all sponsored Loan Originators. Please return in excel format. Double-click the paperclip to open spreadsheet-> 

Initial: \_\_\_\_\_  
Broker & Owner 

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## AUTHORIZATION FORM

Required to be executed by broker of record and all owners with 10% or more ownership

### PLEASE COMPLETE THE INFORMATION BELOW AND CERTIFY THE FOLLOWING:

I certify that I am duly authorized to complete this application and grant consent on behalf of the firm named herein for the purposes of applying to become a Nations Direct Mortgage Business Partner. I certify all information contained in this Application for Business Partner Approval is true and correct in all respects. By signing below, I hereby give Nations Direct Mortgage authorization to obtain and/or verify information. Nations Direct Mortgage is also authorized to submit the name of the company and all employees of the company for screening through any and all mortgage industry background databases, if deemed necessary. The undersigned hereby releases, discharges and exonerates any person or entity providing information to Nations Direct Mortgage in connection with this application and any recipient of such information, including Nations Direct Mortgage or its representatives, from any and all liability of every nature and kind arising from or in connection with the furnishing, receipt, and review of such information.

**Company Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Tax ID:** \_\_\_\_\_

**Name (First & Last):** \_\_\_\_\_ **Phone Number:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **% Owned:** \_\_\_\_\_

**Residence Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Signature Required:** \_\_\_\_\_

**Name (First & Last):** \_\_\_\_\_ **Phone Number:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **% Owned:** \_\_\_\_\_

**Residence Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Signature Required:** \_\_\_\_\_

**Name (First & Last):** \_\_\_\_\_ **Phone Number:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **% Owned:** \_\_\_\_\_

**Residence Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Signature Required:** \_\_\_\_\_

**Name (First & Last):** \_\_\_\_\_ **Phone Number:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **% Owned:** \_\_\_\_\_

**Residence Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Signature Required:** \_\_\_\_\_



## **BROKER CERTIFICATION**

### **Employee Eligibility Verification**

I, hereby, certify that we have a written Employee Eligibility Verification process that includes the following:

1. A Written policy and procedures that:
  - a. Documents the methodology used to verify all employees, including management, who are involved in the origination of mortgage loans against the U.S. General Services Administration (GSA) excluded Parties List, the HUD Limited Denial of Participation List (LDP List), and the Federal Housing Finance Agency (FHFA) Suspended Counterparty Program (SCP) List.
  - b. Documents the results of each review and corrective actions taken as a result of review findings.
2. Our hiring procedure includes a semi-annual verification for all employees, including management, who are involved in the origination of mortgage loans against the U.S. General Services Administration (GSA) excluded Parties List, the HUD Limited Denial of Participation List (LDP List), and the Federal Housing Finance Agency (FHFA) Suspended Counterparty Program (SCP) List?

Company Legal Name: \_\_\_\_\_

NMLS ID#: \_\_\_\_\_

Broker of Record Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## Quality Control Certification

\_\_\_\_\_  
("Broker Full Company Legal Name")

NMLS ID \_\_\_\_\_ hereby certifies:

1. Broker maintains documented policies and procedures regarding the origination process that complies with all investors, State and Federal laws including but not limited to;
  - a. State Regulation and Disclosures
  - b. Fair Lending Laws
  - c. Real Estate Settlement Procedures (RESPA)
  - d. Truth In Lending Act (TILA)
  - e. The Privacy Act
  - f. USA Patriot Act
  - g. BSA/Anti-Money Laundering
  - h. Qualified Mortgage and Ability to Repay Rules
2. Broker has an Application Control to verify the accuracy of all data on the application and submitted to lender.
3. Broker has a Pre-Submission Quality Control process that checks for red flags and other elements to ensure that its borrower (or employee) is not providing any documents with misrepresentation.
4. Broker has a Post-Closing Quality Control process to review and ensure accuracy of all fees and charges.
5. Broker has documented procedures to ensure that loans submitted to NDM meet the guidelines for the product submitted.
6. Broker ensures that all employees are adequately trained on all applicable State, Federal, which include but are not limited to the items outlined in item 1 above.
9. Broker can provide, if asked, all items to verify the above requirements.

I understand that Nations Direct Mortgage is relying on the good-faith on all of the above statements, all of which are material to Nations Direct Mortgage's continued willingness to accept loan originations from our company.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Exhibit A

### California Consumer Privacy Act ("CCPA") Addendum

Pursuant to the Mortgage Broker Agreement (Agreement) between Nations Direct Mortgage, LLC, acting as a Business, and \_\_\_\_\_ ("You"), acting as a Service Provider on behalf of the Business (each a Party; together, the Parties), and in furtherance of obligations under the California Consumer Privacy Act of 2018 (California Civil Code §§ 1798.100 to 1798.199) and its implementing regulations, as amended or superseded from time to time (CCPA), the Parties hereby adopt this CCPA Addendum (Addendum), which shall take effect January 1, 2020 and continue for so long as you maintain Personal Information (defined below). In the event of any conflict between this Addendum and the Agreement or attachment, exhibit, or other document attached thereto, this Addendum shall control.

1. **Definitions.** For the purposes of this Addendum--

- a. **Personal Information** means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular California consumer or household and that is disclosed to you by Nations Direct Mortgage, LLC or collected or otherwise processed by you on behalf of Nations Direct Mortgage, LLC pursuant to the Agreement.
- b. **Other Terms.** Consumer and Business Purpose shall have the same meaning as set forth in the CCPA.

2. **Retention, Use or Disclosure, of Personal Information by you.** You are expressly prohibited from retaining, using, or disclosing Personal Information for any purpose other than for the specific purpose of performing the services specified in the Agreement, as set out in this Addendum, or as otherwise permitted by the CCPA. You shall not use the Personal Information for the purpose of providing services to another person or entity, except that you may combine Personal Information received from one or more entities to which you provide similar services to the extent necessary to detect data security incidents, or protect against fraudulent or illegal activity.

3. **Disclosure of Personal Information to you.**

- a. **Consumer-Directed Intentional Disclosures and Interactions.** Nations Direct Mortgage, LLC may disclose Personal Information to you when a Consumer uses or directs Nations Direct Mortgage, LLC to intentionally disclose that Personal Information or uses Nations Direct Mortgage, LLC to intentionally interact with you. For the purposes of this provision, an intentional interaction occurs when the Consumer intends to interact with you, via one or more deliberate interactions; however, for avoidance of doubt, hovering over, muting, pausing, or closing a given piece of content does not constitute a Consumer's intent to interact with you.
- b. **Consumer Opt-Outs.** Nations Direct Mortgage, LLC may disclose Personal Information to you for the purposes of alerting you that a Consumer has opted out of the sale of that Consumer's Personal Information, in which case you shall (1) promptly acknowledge to Nations Direct Mortgage, LLC receipt of such disclosure, and (2) within a reasonable time, shall take reasonable steps designed to prevent further sale of that Consumer's Personal Information by you on behalf of Nations Direct Mortgage, LLC.
- c. **Necessary Business Purposes.** Nations Direct Mortgage, LLC may disclose Personal Information to you when necessary to perform a Business Purpose. Nations Direct Mortgage, LLC represents and warrants to you that such disclosures of Personal Information shall be consistent with the applicable Nations Direct Mortgage, LLC notice to and/or terms and conditions for its consumers. You represents and warrants that you shall not further collect or use Personal Information, except as necessary to perform the Business Purpose, or as otherwise authorized by the CCPA.

4. **Security of Personal Information Maintained by you.** You hereby represent and warrant that you shall implement and maintain no less than reasonable security procedures and practices, appropriate to the nature of the information, to protect Personal Information.

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

### Lender-Paid Compensation Election Form

Company Legal Name: \_\_\_\_\_ NMLS ID #: \_\_\_\_\_  
 DBA (if any): \_\_\_\_\_

This updated compensation plan is designed to be flexible and allow Brokers to choose a Compensation Plan that best suits your business model, while optimizing compliance with the new regulatory guidance surrounding the LO Compensation, Ability to Repay, and the Qualified Mortgage amendments to Reg Z. (the Truth-in-Lending Act).

Brokers are advised to select a plan that best fits their business, taking into consideration all of your fixed and variable costs, your average loan amount, and the fee limitations applicable to Qualified Mortgages. The Plan selected will be applied to all branches of your mortgage company and is binding for all Lender-Paid transactions closed by Nations Direct and/or its Affiliates. The Broker is responsible for ensuring compliance with the QM Points & Fee requirements and all Anti-Steering Requirements under Reg.Z.

When selecting both a percentage and a flat fee, your compensation will be the sum of the two selections on all transactions, without variation, and that total sum, plus all other points & fees that must be included under the new rules of Reg Z regarding the Qualified Mortgage (including, as applicable, Lender Fees, Third Party Processing Fees, discount points, etc.), must be less than the 3% of Total Loan Amount fee cap at the time the loan is submitted.

To define your Lender Paid Compensation for the period covered by this Election Form, please select your compensation percentage and flat fee (if desired) from the following options. **PLEASE NOTE: A FLAT FEE IS NOT AVAILABLE FOR COMPENSATION PERCENTAGES GREATER THAN 2.5%:**

1.000% No Flat \$ 500.00 \$ 750.00	1.125% No Flat \$ 500.00 \$ 750.00	1.250% No Flat \$ 500.00 \$ 750.00	1.375% No Flat \$ 500.00 \$ 750.00	1.500% No Flat \$ 500.00 \$ 750.00
1.625% No Flat \$ 500.00 \$ 750.00	1.750% No Flat \$ 500.00 \$ 750.00	1.875% No Flat \$ 500.00 \$ 750.00	2.000% No Flat \$ 500.00 \$ 750.00	2.125% No Flat \$ 500.00 \$ 750.00
2.250% No Flat \$ 500.00 \$ 750.00	2.375% No Flat \$ 500.00 \$ 750.00	2.500% No Flat \$ 500.00 \$ 750.00	2.625%	2.750%

You may also establish a maximum limit on the compensation paid to you, as shown below:

No maximum      \$10,000 maximum      \$12,000 maximum      \$15,000 maximum      \$20,000 maximum

You may also establish a minimum compensation amount from one of the following amounts:

No minimum      \$500      \$1,000      \$1,500      \$2,000      \$2,500      \$3,000

Election Period: You will be allowed to change your Compensation Plan once each month or at the Lender's discretion, according to the Broker Compensation Addendum to your Broker Agreement. Any changes made will not affect loans in process.

All new Compensation Plans will become effective the First Business Day of the Month following the date the Election Form is submitted to brokerapproval@myndm.com unless otherwise expressly permitted by NDM Management.

By: Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

# MORTGAGE FRAUD IS INVESTIGATED BY THE FBI



**Mortgage Fraud is investigated by the Federal Bureau of Investigation and is punishable by up to 30 years in federal prison or \$1,000,000 fine, or both. It is illegal for a person to make any false statement regarding income, assets, debt, or matters of identification, or to willfully overvalue any land or property, in a loan and credit application for the purpose of influencing in any way the action of a financial institution.**

*Some of the applicable Federal criminal statutes which may be charged in connection with Mortgage Fraud include:*

- 18 U.S.C. § 1001 - Statements or entries generally
- 18 U.S.C. § 1010 - HUD and Federal Housing Administration Transactions
- 18 U.S.C. § 1014 - Loan and credit applications generally
- 18 U.S.C. § 1028 - Fraud and related activity in connection with identification documents
- 18 U.S.C. § 1341 - Frauds and swindles by Mail
- 18 U.S.C. § 1342 - Fictitious name or address
- 18 U.S.C. § 1343 - Fraud by wire
- 18 U.S.C. § 1344 - Bank Fraud
- 42 U.S.C. § 408(a) - False Social Security Number

*Unauthorized use of the FBI seal, name, and initials is subject to prosecution under Sections 701, 709, and 712 of Title 18 of the United States Code. This advisement may not be changed or altered without the specific written consent of the Federal Bureau of Investigation, and is not an endorsement of any product or service.*

Signature

Date

Signature

Date

**VA AUTHORIZED AGENT**

**SPONSORSHIP/RENEWAL FORM**

**For Wholesale Brokers requesting approval to be a VA authorized agent for Nations Direct Mortgage LLC, or for Wholesale Brokers requesting renewal, please complete this form and submit it with a check for \$100.00 made payable to the Department of Veterans Affairs.**

NMLS #:	
Company Name:	
DBA: (if applicable)	
Main Office Address:	
City, State, Zip:	
Broker Tax ID #:	
Broker of Record/Contact Name:	
Broker/Contact Email Address:	
Broker/Contact Telephone #:	
Fax Number:	
VA ID Number: If previously issued by VA	

Please make check payable to the **Department of Veterans Affairs**.

Please send check and this completed form to:

Nations Direct Mortgage  
Attention: Broker Administration  
5 Hutton Centre Dr, Ste 200  
Santa Ana, CA 92707

**Note:**

- Broker must be licensed in any state in which originations will occur
- Nations Direct Mortgage, LLC must provide the Broker's information to the Department of Veteran's Affairs for approval and issuance of a VA ID number



## Zero Tolerance Fraud Policy

Nations Direct Mortgage, LLC (“NDM”) maintains a zero-tolerance stance against any form of fraud perpetrated in the origination, processing, and closing of mortgage loans. All Mortgage Brokers and Principals should be advised that the licensed Broker bears full responsibility for all actions, performed in the course of business, by their employees, agents, or licensees. The undersigned Mortgage Brokers and Principals understand and agree that they will be held fully responsible for the content, quality, and accuracy of each loan application and all supporting documentation submitted to NDM by their employees, agents, and licensees.

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

### Common Types of Loan Fraud

1. Submission of inaccurate information including, but not limited to: false statements on loan applications and falsification of documents purporting to substantiate credit, employment, deposit and asset information; misrepresentation of personal information including identity, ownership and/or non-ownership of real property, etc.
2. Forgery of partially or predominantly accurate information.
3. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument or occupancy affidavit.
4. Lack of due diligence by the mortgage broker/principal/loan officer/interviewer/processor, including failure to obtain all information required by the application and failure to request information as dictated by Borrower's response to other questions.
5. Unquestioned acceptance of information or documentation which is known, should have been known, or should be suspected to be inaccurate.
6. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant supplying different information on each application.
7. Allowing an applicant or interested third-party to assist with the processing of the loan.
8. Mortgage Broker, Principal, or Loan Officer's non-disclosure of relevant information.

### Consequences

The effect of Loan Fraud is costly to all parties involved. NDM stands behind the quality of our loan production and our solid reputation with investors and the regulatory community. Fraudulent loans cannot be sold into the secondary market and, if sold, are subject to repurchase. The price paid by those who choose to participate in Loan Fraud is even more costly. The following is a non-exhaustive list of potential consequences that may be incurred:

### Consequences to the Mortgage Broker, Principal and their Agent(s):

1. Criminal prosecution under federal and/or state law, which may include incarceration, monetary penalties and/or disgorgement of income. As partial reference, see the attached Mortgage Fraud Warning Notice.
2. Loss of Mortgage Broker/Mortgage Banker/Real Estate/Professional license(s).



## Zero Tolerance Fraud Policy - Continued

3. Loss of lender/investor access due to exchange of information between lenders, mortgage insurance companies including submission of information to investor (GSEs – FHLMC/FNMA), local/state/federal law enforcement agencies and fraud tracking databases including the Department of Housing and Urban Development.
4. Civil action by Nations Direct Mortgage.
5. Civil action by applicant/borrower or other parties to the transaction.
6. Loss of approval status with Nations Direct Mortgage and requirement to repurchase a loan or indemnify NDM for loss.

### Consequences to the Borrower:

1. Acceleration of debt. Section 5 of the Deed of Trust states in part: “Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower’s occupancy of the Property as a principal residence.”
2. Criminal prosecution. For example, the “Occupancy and Financial Status Affidavit”, “Important Notice to Homebuyers” and the “Program Integrity Bulletin (AVOID LOAN FRAUD)” clearly provide notice of the penalties for committing fraud, intentional misrepresentation, or conspiracy to influence the issuance of mortgage insurance by HUD including providing false information on the loan application regarding income, assets, liabilities or intent to occupy the property, or conspiring with others, can subject the borrower and all parties involved to a possible prison term and/or fine up to \$10,000 under Title 18, U.S.C., §1001, et seq.
3. Civil action by Nations Direct Mortgage, LLC, or its successors and assigns, which could include liability for monetary damages.
4. Civil action by other parties to the transaction, such as seller, real estate agent/broker and mortgage broker who may suffer any loss due to reliance upon any misrepresentation(s) made on or in connection with the Loan Application.
5. Adverse effect on credit history.

By signing below, you acknowledge receipt and understanding of Nations Direct’s Zero Tolerance Fraud Policy and the ramifications of non-compliance. In addition, by your execution, you expressly agree that this agreement shall be governed by the laws of the State of California and venue in any action arising hereunder shall at all times be necessary and proper in Orange County, California.

\_\_\_\_\_  
 Print Name of Broker of Record

\_\_\_\_\_  
 Print Name of Principal / Owner

\_\_\_\_\_  
 Broker of Record (Signature)

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Principal / Owner (Signature)

\_\_\_\_\_  
 Date



**Company References – Please list a minimum of two (2)**

**Investor:** \_\_\_\_\_  
**Contact Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_  
**Monthly Volume:** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_

**Investor:** \_\_\_\_\_  
**Contact Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_  
**Monthly Volume:** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_

**Investor:** \_\_\_\_\_  
**Contact Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_  
**Monthly Volume:** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_

**Investor:** \_\_\_\_\_  
**Contact Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_  
**Monthly Volume:** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_

**Investor:** \_\_\_\_\_  
**Contact Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_  
**Monthly Volume:** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_