



Application Submission Checklist

Thank you for your interest in becoming an approved Mortgage Broker with Pacific Bay Lending Group. We look forward to welcoming you as a partner broker.

Email the documents listed below to your Account Executive and copy brokerapp@pacbaylending.com.

- 1. Pacific Bay Lending Group Mortgage Broker Application (Pages 2-21)
- 2. Current state-issued Mortgage/Broker license with DBA
- 3. Resumes of applicant(s) and key personnel (principal officers managing the UW and originating process)
- 4. Form W-9 (signed/dated)
- 6. Financials Profit & Loss Statement (recent Quarter signed/dated)
- 7. Financials Balance Sheet-Minimum of \$25,000 required (recent Quarter signed/dated)
- 5. Copy of resolution to accept correspondent agreement (if applicable)
- 9. Copy of surety bond/E&O policy declarations page (if State Mandatory)
- 10. MLO list (include branch location, full name, and NMLS ID)
- 11. Copy of current Quality Control and Employment Policies (Mortgage Broker Adheres to the following):
 - Consumer Financial Protection Bureau (CFPB), Real Estate Settlement Procedures Act (RESPA), Truth in Lending Act (TILA), Equal Credit Opportunity Act (ECOA), Fair Housing Act (FHA), Equal Credit Opportunity Act (15 U.S.C. §1691 et seq.), Federal Truth in Lending Act (15 U.S.C. §1601 et seq.)
 - State-Federal and Agencies Guidelines HUD, VA, Fannie Mae, Freddie Mac.
 - Employment Policy (Does not employ any person involved in the origination of Mortgage Loan, including Management or Companies) Appearing on HUD's Limited Disbarred Participation List (LDP), GSA's Excluded Parties List, Federal Housing Agency Suspended Counter Program (FHFA), and U.S Department of the Treasury (OFAC).

Additional Mortgage Broker document (only one that applies)

- Corporation: Articles of Incorporation
- Partnership: Partnership Agreement
- LLC: Subchapter S Election

A favorable determination will result in a seven-day conditional approval and subsequent Approved Mortgage Broker Status. Call (714) 367-5125 if you have any questions concerning the application or approval process.



MORTGAGE BROKER APPLICATION

COMPANY INFORMATION

Company Name: _____

DBA: _____

NMLS ID: _____ Corporate Address: _____

Phone: _____ Fax: _____ Co. Email: _____

CONTACT INFORMATION

Primary Contact: _____ Title: _____

Phone: _____ Email Address: _____

COMPANY TYPE

Individual/sole proprietor or single-member LLC Corporation Partnership

Tax ID: _____ Company Established: _____

LICENSED/APPROVAL (Broker of Record)

Name: _____ Broker NMLS #: _____

R.E Officer /Broker License #: _____ Date Issued: _____

PRINCIPAL(S)/SENIOR OFFICER(S)

NAME	TITLE	SSN	OWNERSHIP %

THREE LENDER REFERENCES

(List Three Wholesale Lenders with Whom You Are Approved)

Company:	
Contact:	Email:

Company:	
Contact:	Email:

Company:	
Contact:	Email:



APPLICATION FORM QUESTIONS-ACKNOWLEDGMENT

COMPANY NAME: _____

QUESTIONS:

Has the broker, or principal, previously or currently operated a mortgage-related business under another name(s)?
If yes, list individual company name(s) including DBAs:

Is the "Broker of record" actively engaged in the close supervision and control of activities conducted on behalf of the Company, including the supervision of salespersons licensed to the Company in the performance of acts in which a Real Estate license is required? **IF NO, WHO IS?**

The undersigned ("Broker") acknowledges that the information (Information") contained herein is true and correct and may be disclosed by Lender to third parties with Broker's a prior written or oral permission. The Broker authorizes the Lender, its principals, officers, and staff to verify the information and to conduct business credit and public information source inquiries regarding the Broker. Broker agrees that Lender may disclose any information developed in its quality control review investigation to third parties. The Lender will make available any Broker Information obtained regarding the Broker if the Broker agrees to certain disclosure limitations and such disclosures do not breach confidentiality agreements between the Lender and third parties. The Broker waives all claims for errors, omissions or inaccuracies in information developed or disclosed by the Lender. The Broker agrees to indemnify, defend, and hold Lender harmless for any inquiries, claims or damages brought against the Broker or caused by disclosure of information by Lender to others.

Name: _____

Broker (Principal/Officer/Broker)

Signature

Date

Name: _____

Broker (Managing Officer or Broker)

Signature

Date

MORTGAGE BROKER AGREEMENT



This Mortgage Broker Agreement (the "Agreement") is entered into by and between Pacific Bay Lending Group (the "Lender"), and _____ ("Mortgage Broker") on this _____ day of _____, 20____ with reference to the following facts:

RECITALS

- A. Mortgage Broker, among other activities, engages in the business of (i) soliciting mortgage loan application packages ("Application Package[s]") from the general public for submission to mortgage banking entities for funding consideration and (ii) negotiating the terms and conditions of mortgage loans ("Loan") as agent of the mortgage loan applicant (the "Borrower").
- B. Lender, among other activities, accepts mortgage loan applications submitted by independent mortgage brokerage companies for funding consideration.
- C. Lender and Mortgage Broker (collectively the "Parties") desire to establish a nonexclusive relationship whereby Mortgage Broker will, from time to time and at its option, submit completed Application Packages to Lender for funding consideration.

AGREEMENT

1. GENERAL MORTGAGE BROKER RESPONSIBILITY; FEES.

Mortgage Broker will, at Mortgage Broker's sole cost and expense, perform those services as required or directed by Lender to prepare, process, and submit Application Packages to Lender for funding consideration, and facilitate the closing of Application Packages approved for funding by Lender, including, without limitation, those services listed on **Exhibit "A"** of this Agreement. **Exhibit "A"** may be amended from time to time by Lender, in its sole discretion, to meet Lender's loan submission requirements, with a copy of the amended **Exhibit "A"** to be provided to the Mortgage Broker. The character and amount of any fees charged or received by Mortgage Broker and payable by Borrower in connection with any Application Packages shall be determined by direct negotiations between Mortgage Broker and Borrower. Lender shall have no obligation to pay Mortgage Broker any sum for any Application Package that Lender does not fund or close for any reason whatsoever. Mortgage Broker is considered an affiliate of Lender and agrees to comply with the Desktop Underwriter Schedule (Seller/Servicer Version) found on Federal National Mortgage Association (Fannie Mae) website at <https://singlefamily.fanniemae.com/media/4651/display>. Mortgage Broker may not extend the use of Desktop Underwriting to any third party. Mortgage Broker agrees to obtain written permission from a mortgage loan applicant before using Desktop Underwriting in connection with a mortgage loan application. Mortgage Broker agrees to obtain written permission from a mortgage loan applicant before using Desktop Underwriting in connection with a mortgage loan application (see Addendum 1 attached hereto and incorporated herein).

2. LOAN APPROVAL

Lender shall make available to Mortgage Broker however, descriptions of the Lender's lending programs being offered by Lender from time to time; provided, however that such product descriptions may be modified at any time by Lender, in its sole discretion, and shall not be binding upon Lender. Lender shall have the right in its sole and absolute discretion, to determine the eligibility of an Application package for funding. Mortgage Broker shall not represent to any person, including Borrower, that Lender has approved or will approve, or that Lender has issued, or will issue, a binding commitment to fund any Application Package until Lender informs Mortgage Broker in writing. All Loans shall close in Lender's name with funds provided by Lender unless Lender approves otherwise. All information contained in any Application Packages shall be subject to Lender's independent verification.



3. MORTGAGE BROKER'S REPRESENTATIONS AND WARRANTIES

Mortgage Broker represents, warrants, and covenants to Lender, from (a) the time any Application Package is submitted to Lender, (b) the time a Loan is funded and closed through the life of such Loan, and (c) any other time as indicated or as may be required.

3.1 DUE ORGANIZATION, EXISTENCE AND GOOD STANDING. A mortgage Broker is a duly organized and a validly existing entity in good standing in the jurisdiction under whose laws Mortgage Broker's business is formed and has all licenses necessary to carry on its business as currently being conducted. In addition, Mortgage Broker represents they are currently licensed, registered, qualified and in good standing in each state in which any real property securing the repayment of a Loan is located as well as any state in which Mortgage Broker is engaged in the business of brokering mortgage loans. If Mortgage Broker is otherwise exempt under any applicable law from such licensing, registration, or qualification to the extent necessary to ensure the enforceability of the Loans, Mortgage Broker represents they are in full compliance with the laws, rules, and regulations of each state and of all real estate, mortgage lending or other regulatory or supervisory agencies having jurisdiction over Mortgage Broker's activities. Mortgage Broker covenants to maintain all licenses, registrations, and qualifications in current or active status, and to keep itself in good standing with such regulatory and supervisory agencies. Mortgage Broker further covenants to notify Lender immediately upon the suspension, revocation, expiration or other termination of any licenses, registrations, or qualifications, or the taking of any action by any such regulatory or supervisory agency against Mortgage Broker which could adversely affect the Mortgage Broker's licenses, registrations, and qualifications.

3.2 ABSENCE OF CLAIMS. Except as previously disclosed by Mortgage Broker to Lender in writing, Mortgage Broker represents that it is unaware of any pending or threatened lawsuit, legal action, arbitration, administrative action, or any other proceeding or investigation (including an allegation of fraud by another lender) against Mortgage Broker, or its current or former owners, agents or employees, which would prevent the execution, delivery and performance by Mortgage Broker of its obligations under this Agreement, or which could have a materially adverse effect upon the Mortgage Broker's business, assets, financial condition, reputation, or upon any Loan submitted for funding by Lender.

3.3 AUTHORITY AND CAPACITY; CONSENT; ENFORCEABILITY OF AGREEMENT. Mortgage Broker has the full power of authority and capacity to enter into this Agreement such that this Agreement is duly authorized, executed and delivered by Mortgage Broker and constitutes a valid and binding obligation of Mortgage Broker, enforceable in accordance with its terms. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Mortgage Broker, or compliance by Mortgage Broker with this Agreement of the consummation of the transactions contemplated by this Agreement, or if required, such consent, approval or authorization has been obtained by Mortgage Broker. Mortgage Broker warrants that 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.

3.4 CONTROL OF DOCUMENTS; DISCLOSURE AND VALIDITY OF THE INFORMATION. No Borrower shall have had in his or her direct or indirect possession or control any credit, income or deposit verification documents submitted to Lender with respect to any Loan. Mortgage Broker shall make full, accurate and truthful disclosure to Lender in a timely manner of all facts, information, and documentation which Mortgage Broker may suspect, or have knowledge of, which could affect or has affected the validity, collectability, collateral value, security, or enforceability of any Application Package submitted by Mortgage Broker for funding consideration to Lender. All information on applications prepared by Mortgage Broker for submission to Lender with regard to the Application Packages, including all written attachments thereto, is and shall be true, correct, currently valid, and genuine.



3.5 UNTRUE STATEMENTS. Mortgage Broker shall not submit any Loan Package, which includes any false, fraudulent, or erroneous information or statement(s), or omit any material fact necessary to make any statement(s) or information included in any Loan Package true, accurate and understandable. which contains this warranty, Mortgage Broker's duty to submit Loan Packages without fraudulent or erroneous information or statements, and/or without omitting necessary facts and information shall be defined as: (a) submitting a Loan Package to Lender with false, fraudulent or erroneous information, without actual knowledge thereof; (b) submitting a Loan Package to Lender with false, fraudulent or erroneous information without actual knowledge thereof, but after Mortgage Broker failed to follow standard practices and procedures in the mortgage banking industry which, if followed, would have led to the discovery of disclosure of such false, fraudulent or erroneous information; (c) submitting any Loan Package to Lender with false, fraudulent or erroneous information, where such information was or should have been within the knowledge or control of Mortgage Broker, or (d) submitting any Loan Package to Lender containing an appraisal which contains false, fraudulent, or erroneous information where the discovery of such information was, or should have been, the responsibility of the Mortgage Broker, or where the Mortgage Broker has any business or personal affiliation with, or any interest in, the appraiser.

3.6 OWNERSHIP. Mortgage Broker warrants that it will have no direct or indirect ownership interest in any property acting as security for the Loan, or affiliation or relationship with any other party having a financial interest in the Loan or the Loan transaction.

3.7 COMPLIANCE WITH LAWS. In connection with its solicitation and processing of Application Packages pursuant to this Agreement, Mortgage Broker and each person involved in the Loan transaction has complied and will continue to comply with all applicable state and federal laws, rules and regulations with respect to the Loans and the activities of Mortgage Broker, including, without limitation, the Truth-in-Lending Act, as amended, and Regulation Z promulgated there-under, the Equal Credit Opportunity Act, as amended, and Regulation B promulgated there-under, the Consumer Financial Protection Bureau ("CFPB"), the Real Estate Settlement Procedures Act of 1974, as amended, and Regulation X promulgated there-under, and any and all other federal and state laws, rules and regulations as they relate to consumer credit disclosures and notices.

3.8 FEES. The nature and amount of any fees charged or received by the Mortgage Broker and payable by Borrower must be determined by direct negotiations between Borrower and Mortgage Broker. The total fees to be received by Mortgage Broker have been separately itemized, fully disclosed, explained, and agreed to by Borrower and must be reasonably related to the market value of the services rendered by Mortgage Broker in connection with the Loan. There must be no agreements between Mortgage Broker and any other person or entity for the payment of any referral fee, rebate, bonus, kickback or any other payments and no payment of such referral fee, rebate, bonus, kickback, or any other payments.

3.9 SERVICES TO BORROWER. With respect to each Borrower's Application Package submitted by Mortgage Broker to Lender for funding consideration pursuant to this Agreement, Mortgage Broker shall fully discharge the fiduciary duties owed by Mortgage Broker to Borrower under any applicable law. In particular, and without limitation to the foregoing, whenever required by such fiduciary duty, Mortgage Broker, its employees and/or agents will provide to Borrower any and all requisite disclosures and will obtain any and all requisite agreements or authorizations. All services performed by Mortgage Broker must be performed to the full satisfaction of Borrower and in accordance with the accepted and customary standards in the mortgage lending industry generally. If the Mortgage Broker becomes aware of any dispute or claim by and Borrower that any of Mortgage Broker's services were not performed to the satisfaction of the Borrower, Mortgage Broker agrees to immediately notify Lender of such dispute or claim.

3.10 REPURCHASE/REFINANCE OBLIGATIONS. As governed by the provisions of Section 7 herein below, Mortgage Broker acknowledges and agrees to perform its obligations to Lender to repurchase or refinance the loan.



3.11 COMPLIANCE WITH DESKTOP UNDERWRITING SCHEDULE. Mortgage Broker understands it is acting as an affiliate of Lender and agrees to comply with all terms and conditions of the DESKTOP UNDERWRITER SCHEDULE, a copy of which is available on Lender’s website:

4. STATUS OF MORTGAGE BROKER.

Lender and Mortgage Broker acknowledge and agree that Mortgage Broker is an independent contractor. Nothing in this Agreement is intended, nor shall anything in this Agreement be construed, to create a joint venture, partnership between Lender and Mortgage Broker. In addition, Mortgage Broker is not considered an employee or agent of Lender, and Mortgage Broker is expressly prohibited from holding itself out as such to anyone. Mortgage Broker is expressly prohibited from using Lender’s name in any advertising.

5. MORTGAGE BROKER’S INDEMNIFICATION.

Mortgage Broker shall indemnify and hold harmless the Lender and its affiliates, shareholders, directors, officers, agents, employee, successors and assigns from and against any and all losses, damages, demands, claims, liabilities, costs and expenses, including reasonable attorney’s fees (collectively “Losses”), from any causes whatsoever, incurred by reason of an arising out of or in connection with;

(a) any investigation undertaken by Lender with respect to any document included as part of an Application Package; (b) any breach of any representation, warranty or covenant contained in this Agreement; (c) Mortgage Broker’s failure to perform any of its obligations under this Agreement or (d) any claim by a Borrower resulting from Lender’s failure or refusal to fund a Loan other than pursuant to a binding commitment by Lender to fund such Loan. Mortgage Broker agrees to reimburse Lender for any Losses incurred by Lender for any of the reasons stated above. Mortgage Broker’s obligation to indemnify Lender under this Agreement shall not be affected by Lender taking any of the following actions with or without notice to Mortgage Broker: (x) liquidation, repayment, retirement, or sale or resale of any Loan; (y) foreclosure of any Loan; or (z) sale or resale of the property securing any Loan. Mortgage Broker also agrees to indemnify and hold harmless the Federal National Mortgage Association (Fannie Mae) from all claims and liability arising from Mortgage Broker’s access to Lender’s application and Lender’s data.

6. AUTHORIZATION

Authorization to Obtain Credit or Other Investigative Reports Regarding Mortgage Broker and to Review Mortgage Broker Files. Mortgage Broker authorizes Lender, at Lender’s sole discretion, to obtain business and/or individual credit or other investigative reports with respect to Mortgage Broker at any time after Mortgage Broker seeks to enter the Lender / Mortgage Broker contractual relationship covered by this Agreement. Upon mutual execution of this Agreement, Mortgage Broker grants Lender, at Lender’s sole discretion, the right to obtain credit and/or investigative reports regarding Mortgage Broker, as Lender deems reasonable and appropriate. Mortgage Broker acknowledges that Lender conducts quality control audits of Loan package(s) and herein agrees that Lender shall have the right to review the files of Mortgage Broker relating to any and all Loan Package(s) submitted to Lender upon receipt of reasonable notice from Lender and during normal business hours.

7. SUPPLEMENTAL AND CUMULATIVE REMEDIES-OBLIGATIONS TO REPURCHASE OR REFINANCE.

Mortgage Broker acknowledges and agrees that Lender shall have at Lender’s sole discretion, the right to elect appropriate legal and equitable remedies against Mortgage Broker, in the event of any breach of this Agreement. In addition to administrative, legal or equitable rights and remedies Lender may have in connection with any breach of this contract, in the event of a breach by Mortgage Broker of section 3.5 here-in-above, after the loan had closes and Lender has funded the loan, Lender shall have the right to demand, and Mortgage Broker agrees to repurchase the loan and otherwise compensate Lender as described herein.



At the election of Lender, and immediately upon notice and written demand thereof, Mortgage Broker agrees to repurchase the loan for the repurchase amount, which shall equal the total of all amounts set forth in Paragraphs 7(a) through 7(e) below; or refinance the loan through another lender at par, plus accrued interest, and shall be required to pay to Lender those amounts set forth in Paragraphs 7(c), 7(d) and 7(e) below, plus any damages or loss otherwise incurred by Lender in connection with the loan through the date of any refinance.

THE REPURCHASE AMOUNT SHALL BE THE TOTAL AMOUNT OF:

- a) The original amount of the Loan, less principal reduction received by Lender; plus
- b) All interest accrued unpaid principal balance of the Loan from the date of funding by Lender through and including the first date of the month following the month the repurchase is made; plus
- c) Any and all costs and expenses incurred by Lender in connection with origination, processing, and funding of the loan; plus
- d) All costs and expenses or damages or loss incurred by Lender in connection with selling to or reimbursing any investor or secondary market loan purchaser, including servicing costs; plus
- e) All costs and expenses incurred by the Lender in enforcing Mortgage Broker's obligation to repurchase such Loan, including, without limitation, reasonable attorneys' fees, and costs.

Mortgage Broker agrees and acknowledges that any breach of this Agreement may not be compensated by damages alone. Therefore, Mortgage Broker agrees that in the event of any such breach of this Agreement, Lender shall, without limit, be entitled to seek and obtain equitable relief by way of specific performance of Mortgage Broker's repurchase obligation hereunder.

8. EARLY PAYOFF-INABILITY TO SELL LOAN / REFUND OF PREMIUM.

Mortgage Broker shall refund to LENDER, the premium received from any Mortgage Loan as well as any Lender Credit (1st TD, 2nd TD, HELOCS, etc.) paid by the Lender to Mortgage Broker, if the Mortgage Loan is prepaid before the borrower making the first 7 monthly payments (first 210 days of Mortgage Loan), or if the loan cannot be sold due to the borrower's failure to make initial payments. The refund shall be paid to the Lender within fifteen (15) days of demand by the Lender.

9. TERMINATION OF AGREEMENT

This Agreement may be terminated by either Party, with or without cause, upon ten (10) days' prior written notice to the other Party. Termination of this Agreement shall not affect the Parties' obligations with respect to Application Packages submitted by Mortgage Broker to Lender prior to the effective date of the termination of this Agreement. Furthermore, termination of this Agreement shall not extinguish Mortgage Broker's obligation to indemnify Lender as provided herein.

9.1 EFFECTIVE DATE. THIS AGREEMENT SHALL BE EFFECTIVE ON THE EFFECTIVE DATE FIRST WRITTEN ABOVE.

9.2 INITIAL & RENEWAL TERMS. The term of this Agreement shall be one (1) year. Lender will require annual Mortgage Broker Recertification and upon approval, the Agreement shall renew automatically for an additional one-year period.



Lender may also require the Mortgage Broker to provide interim financial statements. Mortgage Broker shall immediately advise Lender of any material change in the Mortgage Broker's circumstances, financial or otherwise, including, but not limited to, a change in the Mortgage Broker's ownership.

9.3 TERMINATION. Any party may terminate this Agreement upon written notice at any time for any reason. If the Agreement is terminated, parties' obligations under this Agreement shall not be mitigated in any way as to loans previously funded pursuant to the Agreement.

9.4 SUSPENSION. During the course of any pending investigation, in addition to any other right or remedy Lender may have, Lender has the right to suspend Mortgage Broker's eligibility until the investigation is complete. During the period of suspension, Lender may choose, in its sole discretion, to continue to underwrite Loans without waiving any rights under this Agreement.

9.5 SURVIVAL. Termination or suspension under this section shall not affect Mortgage Broker's obligations with respect to Loans already sold or delivered to Lender. Broker's representations, warranties, covenants, and other obligations and agreements contained in this Agreement, including without limitation, Mortgage Broker's indemnification obligations, shall survive any termination of this Agreement, any investigation by Lender or its agents, or the subsequent transfer of any Loan by Lender to a third party.

9.6 NOTIFICATION OF CHANGES IN BROKER STATUS. Mortgage Broker must notify Lender prior to the occurrence of any of the following:

- a) Any change in Mortgage Broker's business address and/or telephone number or change in company structure.
- b) Any material increases or decrease in capital or changes in management ordered or required by a regulatory authority supervising or licensing Mortgage Broker.
- c) Resignation of any senior management overseeing the origination or processing operations.
- d) Entry of any court judgment or regulatory order in which Mortgage Broker is or may be required to pay a claim or claims which may have a material adverse effect on Mortgage Broker's financial condition.
- e) The winding up or dissolution of Mortgage Broker's business. When Lender receives this written notification, it will contact Mortgage Broker if further documentation is required.

Lender reserves the right to suspend further business with Mortgage Broker while determining the impact of the change on Mortgage Broker's qualifications.

10. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. EXCLUDED PARTY WATCHLISTS CHECKED

Mortgage Broker shall include in their hiring process checking its employees and management involved in the origination of loans (including application through closing) against the following (GSA) U.S. General Services Administration, (HUD-LDP) Limited Denial of Participation List, (FHFA-SCP) Federal Housing Finance Agency, (OFAC-SDN) Suspended Counterparty Program, and (SAM-EPLS) System for Award Management.



12. MISCELLANEOUS

12.1 RIGHT TO OFFSET. Amounts owed by Mortgage Broker to Lender under this Agreement may, at Lender's option, and at Lender's sole discretion, be offset by Lender against any payments then or thereafter owed by Lender to Mortgage Broker.

12.2 NOTICES. All notices required hereunder shall be in writing and shall be deemed to have been given, made, and received only (a) upon delivery, if personally delivered to a party; (b) one (1) business day after the date of dispatch, if by facsimile transmission; (c) one (1) business day after deposit, if delivered by a nationally recognized courier service offering guaranteed overnight delivery or (d) three (3) business days after deposit in the United States first class mail, certified mail. Postage prepaid, return receipt requested, to the address appearing on the signature page of this Agreement.

12.3 ATTORNEY'S FEES. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of any alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, in addition to any other relief to which they may be entitled, the prevailing party shall be entitled to attorneys' fees and other costs incurred.

12.4 ASSIGNMENT. Mortgage Broker may not assign this Agreement or its duties hereunder.

12.5 WAIVERS OR REMEDIES. Lender's failure or delay to audit any loan prior funding and closing, or to exercise any right or remedy available under this Agreement or at law or equity, shall not act as a waiver of any other right or remedy, nor shall any single or partial exercise of any right 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 provisions, whether or not similar. Nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. All remedies shall be cumulative and nonexclusive.

12.6 ENTIRE AGREEMENT: AMENDMENT. This Agreement constitutes the entire Agreement between the Parties and supersedes all prior and contemporaneous agreements, representations, and understandings. Notwithstanding anything to the contrary contained herein, no supplement, modification, or amendment shall be binding unless executed in writing by both parties.

12.7 PARTIAL INVALIDITY. If any provision of this Agreement is determined to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

12.8 FURTHER ASSURANCE. Each party shall perform any acts, execute, and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement. In the event Lender receives notice that any Borrower has exercised his or her right of rescission after Lender has disbursed any loan proceeds, Mortgage Broker shall refund to Lender, the premium received from the loan, regardless of whether such amounts were disbursed by Mortgage Broker to other parties.

12.9 SAFEGUARDS FOR PRIVACY AND SECURITY. Mortgage Broker agrees to use appropriate safeguards for privacy and security that are at least as strong as what the Mortgage Broker uses for their own technology.



WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Mortgage Broker Agreement with an effective date as of the date first set forth above.

SIGNATURES APPEAR ON THE FOLLOWING PAGE



“LENDER”

**Pacific Bay Lending Group
ATTN: Broker Management**

15030 La Mirada Blvd.
La Mirada, CA 90638
Phone: (714) 367-5125
Fax: (714) 367-5130

PACIFIC BAY LENDING GROUP

By: _____

Title: _____

(Signature)

(Date)

“MORTGAGE BROKER”

COMPANY NAME:

Address: _____

Phone: _____

Fax: _____

By: _____
(Name)

Title: _____

(Signature)

Date: _____

By: _____
(Name)

Title: _____

(Signature)

Date: _____

Note: for California DRE-licensed corporate
Mortgage Broker: One of the above signatures(s)
Must be of the Designated Broker/ Officer



EXHIBIT "A"

SERVICES PERFORMED BY MORTGAGE BROKER

The following listed services are subject to modification on a case-by-case basis, if necessary, in Lender's sole and absolute discretion:

- Obtain, compile and process information from Borrower and prepare 1003 loan application, with such financial information (e.g., tax returns, bank statements, etc.) and other documents as needed to permit Lender to underwrite the Application Package
- Prepare, obtain, and review verifications of deposit, income, and employment as required or directed by lender
- Initiate/order request for mortgage and other loan verifications
- Order and submit original appraisal performed by a licensed appraiser that appears on Lender's approved Appraiser list
- Initiate/order inspections and engineering reports as necessary
- Diligently prepare, process, package and submit a completed Application Package to lender for funding consideration, in which the Application Package shall contain information on forms and in the order required by Lender
- Counsel Borrower on Lender's different loan programs and pricing options, and educate Borrower in home buying or refinance financing process
- Select title company, escrow and/or closing agent; order preliminary title report, abstract of title or other comparable documents and other legal documents as requested by Lender
- Assist Borrower in understanding the effects of Borrower's negative credit reports on loan program(s) and pricing options available from Lender; assist Borrower, to the fullest extent possible, in clearing negative credit reports
- Provide all required federal and state consumer credit disclosures and notices
- Maintain regular contact with Borrower, lender and all other persons or entities involved in the loan process from application through closing, and after closing if necessary; timely apprise Borrower, Lender and all other persons or entities involved in the loan process of the status of the Application Package; and obtain such additional information as Lender or any other persons or entities involved in the loan process may require
- Ensure that all requirements imposed by Lender as a condition to its funding of the Loan have been fully performed prior to funding and to correct any deviation, deficiency or defect after funding as directed by Lender
- Participate in the loan closing
- Perform additional services as required by Lender to close the Loan



**ADDENDUM "A" TO:
MORTGAGE BROKER AGREEMENT**

This Addendum "A" is incorporated into all Mortgage Broker Agreements (the "Agreements") by and between Bay-Valley Mortgage Group, a California corporation, dba Valley View Home Loans (the "Company") and all Mortgage Brokers, collectively referred to as the "Parties."

WHEREAS the Company is unable to sell mortgage loans on the secondary market if borrowers fail to make initial monthly payments prior to transfer of the loan to the applicable Investor,

NOW THEREFORE, in consideration of the promises and mutual covenants set forth herein, the consideration, for which receipt and sufficiency the Parties hereby acknowledge, the Parties agree as follows:

The Mortgage Broker named below agrees to repay the Company any premium capture compensation as well as any compensation for lender credits received by the Mortgage Broker, if the Company is unable to sell the Mortgage Broker's loans on the secondary market due to any borrower failing to make the initial monthly payments prior to transfer of the loans to any applicable Investor.

ACKNOWLEDGEMENT

I have read, fully understand, accept, and agree to be bound by the terms and conditions of this Addendum "A" to the Mortgage Broker Agreement. I have consulted with counsel of my choosing before executing this Addendum 'A.'

COMPANY NAME: _____

Name: _____
Broker (Principal/Officer/Broker)

Signature

Date



**ADDENDUM “1” TO:
MORTGAGE BROKER AGREEMENT**

This Addendum is incorporated into all Mortgage Broker Agreements by and between Bay-Valley Mortgage Group, a California corporation, dba Pacific Bay Lending Group and dba Valley View Home Loans (the “Company”) and Mortgage Brokers (“Brokers”), collectively referred to as the “Parties.”

WHEREAS the Federal National Mortgage Association (“Fannie Mae”) requires all Brokers to agree to comply with Fannie Mae’s Desktop Underwriter Schedule (Seller/Servicer Version),

WHEREAS Fannie Mae prohibits Brokers from extending the use of Desktop Underwriting to any third party, and

WHEREAS, Fannie Mae requires Brokers to obtain permission from a mortgage loan applicant before using Desktop Underwriting in connection with a mortgage loan application,

NOW THEREFORE, in consideration of the promises and mutual covenants set forth herein, the consideration, for which receipt and sufficiency the Parties hereby acknowledge the following addition to the Mortgage Broker Agreement:

Mortgage Broker is considered an affiliate of Lender and agrees to comply with the Desktop Underwriter Schedule (Seller/Servicer Version) found on Federal National Mortgage Association (Fannie Mae) website at <https://singlefamily.fanniemae.com/media/4651/display>. Mortgage Broker may not extend the use of Desktop Underwriting to any third party. Mortgage Broker agrees to obtain written permission from a mortgage loan applicant before using Desktop Underwriting in connection with a mortgage loan application.

ACKNOWLEDGEMENT

I have read, fully understand, accept, and agree to be bound by the terms and conditions of this Addendum “1” to the Mortgage Broker Agreement. I have consulted with counsel of my choosing before executing this Addendum “1.”

COMPANY NAME: _____

Name: _____
Broker (Principal/Officer/Broker)

Signature

Date



LOAN FRAUD STATEMENT

Mortgage Broker acknowledges and agrees that Mortgage Broker bears responsibility for all actions of Mortgage Broker's employees or licensees. The Mortgage Broker is responsible for the content and quality of each application and each loan request submitted to the Lender. The submission of a loan application, which contains false information, may constitute a crime.

TYPES OF LOAN MISREPRESENTATION & FRAUD

1. Submission of inaccurate or misleading information, including false statements on loan application(s) and falsifications of documents purporting to substantiate credit, employment, deposit and asset information, personal information including identity, ownership/non-ownership of real property, etc.
2. Forgery including partially or predominantly accurate information.
3. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
4. Lack of due diligence by broker/loan officer/processor, including failure to obtain all information required by the application and failure to request further information as dictated by borrower's response to other questions.
5. Unquestioned acceptance of information, or documentation, which is actually known, should be known, or should be suspected as inaccurate.
 - a. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant on multiple properties, or from one applicant supplying different information on each application.
 - b. Allowing an applicant or interested third party to "assist" with the processing of the loan.
6. Correspondents' nondisclosure of relevant information.

The effect of "Loan Fraud" is costly to all parties involved. Lender stands behind the quality of its loan production. Fraudulent loans damage our reputation with our investors and mortgage insurance providers. The price paid by those who participate in loan fraud is even more costly.

CONSEQUENCES TO MORTGAGE BROKER

1. Criminal prosecution.
2. Loss or suspension of Real Estate Broker License
3. Loss of Lender access due to exchange of information between Lenders, mortgage insurance companies including submission of information to investors (FHLMC/FNMA), police agencies, and California Department of Real Estate.
4. Civil action commenced by Lender.
5. Civil action by applicant/borrower or other parties to the transaction.
6. Loss of approval status with Lender.



LOAN FRAUD STATEMENT 2

CONSEQUENCES TO BORROWER

1. Acceleration of debt (FHLMC/FNMA deed of trust) Item #6 states: "Borrowers 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 representation concerning Borrower's occupancy of the property as a principle residence. Foreclosure under this section of the Deed of Trust does not require the Borrower to be in payment default. As such, the Borrower will not have the benefit of reinstatement. In order to cure the default, the Borrower must pay-off the loan in full prior to the sale of property."
2. Criminal prosecution.
3. Civil action commenced by Lender.
4. Civil action by other parties to the transaction, such as seller or real Estate agent/broker.
5. Employment termination.
6. Loss of professional license, if any.
7. Adverse effect on credit history.

I have carefully read the foregoing and fully understand Lender's position on loan fraud.

COMPANY NAME: _____

Name: _____

Broker (Principal/Officer/Broker)

Signature

Date

Name: _____

Broker (Managing Officer or Broker)

Signature

Date



THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977

FAIR LENDING NOTICE

It is illegal to discriminate in the provisions of or in the availability of financial assistance because of the consideration of:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or
2. Race, color, religion, sex, marital status, national origin, or ancestry.

It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and conditions, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of a one-to-four-unit family residence occupied by the owner and for the purpose of the home improvement of anyone-to-four-unit family residence.

If you have any questions about your rights, or you wish to file a complaint, contact the management of this financial institution or the agency noted below:

I/We received a copy of this notice and expressly agree to comply with the Housing Financial Discrimination Act of 1977 as well as all terms of this Fair Lending Notice.

COMPANY NAME: _____

Name: _____

Broker (Principal/Officer/Broker)

Signature

Date

Name: _____

Broker (Managing Officer or Broker)

Signature

Date



AUTHORIZATION TO RELEASE INFORMATION

COMPANY NAME: _____

I/We hereby authorize you to release to Pacific Bay Lending Group (hereinafter referred to as “LENDER”) any and all documentation and any other information LENDER may require for the purpose of conditional Mortgage Broker approval and periodic reviews of approved status.

Name: _____

Broker (Principal/Officer/Broker)

Social Security Number: _____

Date of Birth: _____

Home Address: _____

Signature

Date

Name: _____

Broker (Managing Officer or Broker)

Social Security Number: _____

Date of Birth: _____

Home Address: _____

Signature

Date



LOAN PROCESSING CONTACT INFORMATION

COMPANY NAME: _____

PROCESSING METHOD: IN-HOUSE OUTSOURCED

PROCESSOR INFORMATION

Contact Name: _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

Email Address: _____

OUTSOURCED COMPANY INFORMATION

Company Name: _____

NMLS ID: _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

Name: _____

Broker (Principal/Officer/Broker)

Signature

Date



LOAN ORIGATION COMPENSATION ADDENDUM

Company: _____ AE Name _____

Date _____ **On a loan-by-loan basis the Mortgage Broker is allowed to choose Lender**

Paid or Consumer Paid compensation subject to the following:

Lender Paid Compensation:

- Compensation range: .5000% - 2.5000% in increments of 1/8 (.125) Subject to high-cost limits.
- The initial compensation will apply to all loans received by Pacific Bay Lending Group (LENDER) as of the date of execution above.
- The compensation selected shall remain in effect until a subsequent Loan Originator Compensation Addendum is executed and approved by LENDER. Approval will be granted based upon valid reason(s) for such change in accordance with the current Regulatory guidance provided at that time.
- Changes to the compensation selection will take effect on the first or fifteenth day of the following month. The Loan Originator Compensation Addendum must be received by the Broker Approval Department for review on the 1st or 16th of the month, if no new comp plan is provided by the Mortgage Broker the last plan on file will remain in effect for a maximum of 180 days, at which time a new comp plan will be required.

E-mail to brokerapp@pacbaylending.com
or Fax 714-367-5125

Enter the compensation percentage you agree to be paid on each loan transaction: %. _____.

If you wish to be paid a flat fee in addition to the comp plan indicated above, indicate amount: \$ _____.

Any loan that does not comply with PBLG's Fair and Responsible Lending Principles will be declined under Lender Paid Compensation.

Consumer Paid Compensation:

- There are no minimums; however, the compensation maximum amount will be required to comply with LENDER's Fair and Responsible Lending Principles.

Mortgage Broker Authorization:

Mortgage Broker authorizes the following additional individual(s) to make compensation changes on behalf of the Mortgage Broker. The Mortgage Broker acknowledges that these individuals understand and will comply with all compensation change requirements.

Name: _____ Email Address: _____

Name: _____ Email Address: _____

Mortgage Broker Acknowledgement:

The person signing below acknowledges that: (a) he or she is authorized to sign this Loan Originator Compensation Addendum on Mortgage Broker's behalf; (b) this Loan Originator Compensation Addendum becomes part of the Wholesale Lending Agreement upon execution by Mortgage Broker; and (c) Mortgage Broker is not requesting compensation based on the terms or conditions of any loans delivered or expected to be delivered by Mortgage Broker to Pacific Bay Lending Group.

By: _____ Email Address: _____
(Broker Name)

Name: _____ Title: _____