

Broker Application Package



WholesaleLending



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Broker Approval Process

A. Overview

Right Start Mortgage, Inc. ("RSM") requires all Broker or TPO Clients to be approved by our Broker Approval Desk prior to submitting loan applications for underwriting consideration. Each respective broker seeking approval must complete the Right Start Mortgage Broker Approval Package, inclusive of applicable authorizations, releases and pertinent mortgage broker licensing and company criteria.

B. Broker Approval Criteria

The Broker must meet the following criteria:

- Be properly licensed and authorized within the state it operates in to originate and broker loans.
- Have been in business for at least two (2) years. In cases of newer firms, principals should have at least five (5) years' experience in mortgage brokering or lending.
- Have a good reputation in the industry with proven professional references, and a high level of professionalism and strong ethical standards. References listed on the broker application are verified by telephone or via e-mail.
- Maintain at all times a minimum tangible net worth equal to a minimum of fifty thousand dollars and no cents (\$50,000.00) for approval. Exceptions are available on a case by case basis.
- Have a 'good standing' rating with all governmental licensing and revenue collection agencies and have a public record clear of any civil or criminal judgments.

C. Required Support Documentation

Documentation needed to support the Broker approval may vary, but in all cases the following items are required from applicants for review and evaluation.

- ☐ Completed and executed Broker Application (*enclosed*)
- ☐ Completed and executed Broker Agreement & Policy Statement (*enclosed*)
- ☐ List of Authorized Loan Officers (*enclosed*)
- ☐ Completed and executed W-9 form for licensed broker (*enclosed*)
- ☐ Completed and executed Anti-Money Laundering and Bank Secrecy Act Compliance form (*enclosed*)
- ☐ Financial Statements (*Balance Sheet and Profit and Loss*) for the last full fiscal year that includes a computation of adjusted net worth, certified and signed as accurate and complete by an authorized officer
- ☐ Articles of Incorporation / Organization or Partnership Agreements / Fictitious Name Statement (*as applicable*)
- ☐ Errors and Omissions policy declaration page or certificate page that states the policy number, effective/expiration dates, policy limits, and carrier
- ☐ Quality Control Policy and Procedures Manual
- ☐ Resumes (*Broker of Record, Principal Officer(s) and key employees*)

D. Broker Package Review

Upon the completion and submission of the Broker Application Package, RSM is notified of a "pending approval". At this time the Broker Approval Desk will conduct a review of the submission package. If any deficiencies exist the Compliance Analyst of the Broker Approval Desk will "Suspend" the Package for further information from the Broker of Record. If Supplemental Documents are requested, the Account Executive will be responsible for obtaining these documents and submitting them to the Broker Approval Desk for review. Any Broker package that falls outside of the minimum standards required by RSM will be elevated to Senior Management for review and decision. All Brokers will be advised of the Company's final decision. Once a package is approved or declined, an email is generated to the Broker as well as the Account Executive.

E. Monthly Monitoring/Surveillance

Broker Approval Desk maintains the data base for all Brokers. Surveillance includes constant monitoring of licenses in each state that the Broker is conducting business. Any Broker who has a negative rating or status with the State or the Regulatory agency for that particular state will be deactivated.

F. Annual Recertification

RSM shall perform an Annual Recertification of all approved Brokers at the anniversary of their original Approval. The annual recertification will be requested 60 days prior to the original approval date. At the sole discretion of RSM, we may suspend a Broker's ability to submit files through the platform should the Broker not complete and submit the recertification or be unable to meet any of the recertification requirements. The recertification will require the following updated documents:

- Broker Annual Recertification Application
- Current Financial Statements (*Balance Sheet and Profit and Loss*) for the last 90 days that includes a computation of adjusted net worth, certified and signed as accurate and complete by an authorized officer verifying that the minimum required net worth of \$50,000 is maintained
- Current Errors and Omissions policy declaration page or certificate page that states the policy number, effective/expiration dates, policy limits, and carrier
- Articles of Incorporation/Organization / Partnership Agreements / Fictitious Business Name Statement or any change in ownership of 10% or more
 - **Note:** Only required if changes have occurred in the past 12 months
- Resumes of Officers or Key employees added within the past 12 months (*unless no changes*)
 - **Note:** Only required if changes have occurred in the past 12 months

Brokers who fail to provide this documentation within the time frame required may result in termination of Right Start Mortgage's Agreement. The Account Executive will be notified of Brokers failure to meet standards and may wish to provide Senior Management with additional information on behalf of the Broker.

Broker Application

Account Executive: _____

COMPANY INFORMATION

Company Name: _____

Date Formed: _____

Doing Business As (DBA): _____

State of Corporation: _____

Business Address: _____

Number of Employees: _____

City, State, Zip: _____

Number of Loan Originators: _____

Phone: _____

Business Classification (Check One):

Facsimile: _____

☐ Sole Proprietorship

Email Address: _____

☐ Partnership

Company Website: _____

☐ C-Corporation

Company NMLS ID: _____

☐ S-Corporation

How Long Originating Loans: _____

☐ Limited Liability Company (LLC)

CONTACTS

Principals

Please provide information for any and all owners owning 10% or greater. 100% of ownership must be represented. All owners holding 10% or greater must provide ALL information and execute this package, specifically the Authorization to Release Information.

Name: _____ Title: _____ Percent Owned: _____ % Years in Industry: _____

Phone Number: _____ Email Address: _____

Name: _____ Title: _____ Percent Owned: _____ % Years in Industry: _____

Phone Number: _____ Email Address: _____

List of Key Operation Individuals

(Attach separate sheet for additional principals if necessary)

Processing: _____ E-mail: _____ Phone No: _____

Secondary Marketing: _____ E-mail: _____ Phone No: _____

Underwriting: _____ E-mail: _____ Phone No: _____

Compliance: _____ E-mail: _____ Phone No: _____

Quality Control: _____ E-mail: _____ Phone No: _____

Accounting: _____ E-mail: _____ Phone No: _____

DECLARATIONS

1. Has your company, and/or principals or corporate officers, been named as defendant in a lawsuit for alleged fraud or misrepresentation in connection with any real estate related activity?
☐ Yes ☐ No
2. Has any principals or corporate officers, been convicted of a crime or named in a pending criminal proceeding (excluding traffic violations and other minor offenses)?
☐ Yes ☐ No
3. Has your company, and/or principals or corporate officers, filed for protection from creditors under any provision of the bankruptcy laws within the past seven years?
☐ Yes ☐ No
4. Has your company, and/or principals or corporate officers, ever had a real estate or other professional license suspended, revoked or received any other disciplinary action from a regulatory agency?
☐ Yes ☐ No
5. Has any lender enforced, or attempted to enforce, the Hold Harmless or Repurchase clause of their correspondent or broker agreement with your company and/or any principals or officers?
☐ Yes ☐ No
6. Has your company ever had unfavorable findings with regard to mortgage operations, including any audit examination or report by FHA, VA, FNMA, FHLMC or any regulatory, supervisory or investigating agency?
☐ Yes ☐ No
7. Does your employee hiring procedure include a check 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?
☐ Yes ☐ No
8. Does your company follow the recommended quality control guidelines for responsible lending of either Fannie Mae or Freddie Mac?
☐ Yes ☐ No
9. Does your company, its owners, its broker(s) of record, or its employees have any affiliation or ownership interest in a real estate company, real estate development company, construction company or financial services company such as: title company, escrow company, tax preparation, financial counseling, credit counseling or stock brokerage company? If Yes, please list names and addresses below:
☐ Yes ☐ No
Company Name: _____ Percent Ownership: ____%
Company Address: _____
Company Name: _____ Percent Ownership: ____%
Company Address: _____

PLEASE NOTE: If **Yes** to any of the above questions (1-6 only), please attach a letter of explanation, reasons for occurrence and action taken to prevent a recurrence of similar claim or action. If applicable, provide any supporting documentation which includes resolution and case number.

LENDER REFERENCES

(List three companies that you have brokered the most loans to in the last six months.)

1.

Company Name: _____ Years Approved: _____

Address: _____ City/ State/ Zip: _____

Primary Contact: _____ Title: _____

Phone Number: _____ Email Address: _____

2.

Company Name: _____ Years Approved: _____

Address: _____ City/ State/ Zip: _____

Primary Contact: _____ Title: _____

Phone Number: _____ Email Address: _____

3.

Company Name: _____ Years Approved: _____

Address: _____ City/ State/ Zip: _____

Primary Contact: _____ Title: _____

Phone Number: _____ Email Address: _____

AUTHORIZATION TO RELEASE INFORMATION

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 an approved Mortgage Wholesale Broker with Right Start Mortgage. The undersigned certifies to Right Start Mortgage and its successors and assigns that the foregoing information and all accompanying documents are true and complete. The undersigned hereby authorizes Right Start Mortgage to obtain verification of any information or documentation provided in connection with this Application from any source (*including, but not limited to both business and personal character or credit references provided by Applicant or any owner, principal, officer, employee, member, partner or representative of Applicant*). Right Start 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. Applicant hereby releases and holds harmless Right Start Mortgage, and third party vendor assisting with verification of information or documentation provided (*including, without limitation, and background search*) from and against all liability for claims, damages, losses, costs and expenses of any kind whatsoever that may arise from such verification efforts or the use or reporting of any information obtained in the course of such verification efforts.

Legal Name of Broker Company: _____

Signed By: _____ Date: _____

Print Name: _____ Title: _____

Signed By: _____ Date: _____

Print Name: _____ Title: _____



WHOLESALE BROKER AGREEMENT

This Broker Agreement (the "Agreement") is entered into by and between Right Start Mortgage, A California Corporation ("RSM"), having an address of 80 South Lake Avenue, Ste 520, Pasadena CA 91101, and _____ ("Broker") having an address of _____.

This agreement shall be effective as of _____.

A. Broker is engaged in the business of originating and processing residential mortgage loans as a mortgage broker and is either a sole proprietorship or employs licensed mortgage loan originators.

B. RSM extends credit to qualified borrowers for first and second lien residential mortgage loans.

C. Broker desires to submit residential mortgage loan applications (each an "Application") and obtain loans (each a "Loan") from RSM for Broker's customers.

NOW, THEREFORE, the parties enter into this Agreement as follows:

1. SUBMISSION OF LOAN APPLICATION PACKAGES.

From time to time, Broker may submit loan application packages with supporting documentation to RSM in compliance with the representations and warranties in this Agreement and the RSM's lending policies and guidelines, including program announcements, memoranda, bulletins and other communications to Broker ("Guidelines"). RSM may amend its Guidelines and submission requirements from time to time in its sole discretion.

2. COMPENSATION.

Broker may receive compensation for performance of its duties under this Agreement either as a consumer paid transaction or as a RSM paid transaction, as described in Exhibit A of this Agreement. Broker shall disclose such compensation to each borrower in accordance with applicable law, including the Real Estate Settlement Procedures Act ("RESPA") and the Truth-in-Lending Act ("TILA"). With respect to such compensation, Broker agrees and represents and warrants as follows with respect to each Loan:

- Broker shall not charge more to the consumer for a consumer paid transaction than the Broker would be able to charge for the then-current RSM Paid Compensation Selection on file with RSM as provided for in Exhibit A to this Agreement.
- Broker shall not receive compensation or charge any fee in excess of the reasonable value of the goods, services, or facilities provided.
- Broker shall not receive both consumer paid compensation and RSM paid compensation on the same transaction.
- Broker shall not receive any compensation or charge any fee which is calculated based on the terms or conditions of a Loan, other than the loan amount, in violation of the Loan Originator Compensation Requirements adopted by the Consumer Financial Protection Bureau and amending Regulation Z ("LO Comp Rule").
- Broker shall not compensate any of its employees that meet the definition of "Loan Originator" in any manner that is not in compliance with the LO Comp Rule.
- Broker shall not steer a consumer to RSM in order to increase Broker's compensation with respect to a Loan.
- Broker shall not be eligible for any compensation on a Loan until such transaction has closed and funded and all other applicable conditions are met.

- Should RSM identify that Broker's compensation or negotiated fees exceed applicable law, such compensation, fee or fees may be reduced, without notice to the Broker, to achieve levels which do comply.
- RSM may fund a loan and may temporarily withhold the Broker's compensation until all funding conditions have been met.

3. REPRESENTATIONS AND WARRANTIES OF BROKER.

Broker makes the following representations and warranties with respect to this Agreement and each Loan.

3.1. Authority.

Broker has the requisite power, authority, and legal capacity to enter into and perform its obligations under this Agreement. Broker has taken all necessary action to authorize the execution, delivery, and performance of this Agreement. Broker's execution, delivery, and performance of this Agreement will not conflict with or result in a breach of any terms, conditions, or provisions of Applicable Laws or Broker's articles of incorporation, charter, by-laws, partnership agreement, or other organizational documents, any agreement to which it is a party, or any court order, judgment or decree to which it is subject. Broker's participation in this Agreement is in the ordinary course of Broker's business.

3.2. Duly Licensed.

Broker is and shall continue during the term of this Agreement to be duly organized, validly existing, and in good standing under the laws of the state governing its creation and existence and duly qualified to transact business and in good standing in the state in which property serving as security for any Application or Loan is located. Broker and its employees possess all necessary licenses, permits, authorizations, registrations, and approvals to engage in the activities contemplated by this Agreement.

3.3 No Litigation Pending.

There is no litigation, action, suit, proceeding, arbitration, inquiry, review, audit, or investigation pending or, to the best of Broker's knowledge, threatened, against Broker which, either in any one instance or in the aggregate, may result in any material adverse change in Broker's business, operations, financial condition, or reputation, which would draw into question the validity or enforceability of any Loan, Loan document, or any action taken or to be taken by Broker, or which would materially impair Broker's ability to perform all of its obligations under this Agreement.

3.4. Compliance with Laws.

Broker has complied, and will comply, with any law, ordinance, requirement, regulation, rule, or order applicable to its business, the violation of which might adversely impact Broker's operations, reputation, or financial condition or the Broker's ability to submit Applications and Loans under this Agreement. In connection with the Applications and Loans, Broker has complied and shall continue to comply with all applicable federal, state, and local laws, regulations, and rules, including, without limitation, applicable state lending and licensing and/or registration laws (including but not limited to the SAFE Act), the Federal Fair Housing Act, RESPA, Regulation X, TILA, Regulation Z, Equal Credit Opportunity Act, Regulation B, Consumer Credit Protection Act, Flood Disaster Protection Act, Fair Credit Reporting Act, Home Mortgage Disclosure Act, and HUD regulations applicable to a loan correspondent all as amended from time to time (collectively, "Applicable Laws"). Broker, at a minimum implements the following

policies that meet federal and, as applicable, state regulatory requirements: an Anti-Money Laundering Program; a Customer Information Security Program; a Red Flags Identity Theft Policy, an Appraiser Independence Policy. Broker shall timely deliver a loan options disclosure to each consumer on a Loan to meet the safe harbor provisions of Regulation Z to facilitate compliance with the prohibition on steering to receive greater mortgage originator compensation.

3.5. True and Correct. No statement, report, information, document, written materials, or financial statements Broker submits in connection with this Agreement, any Application, or any Loan contains any untrue statement of fact or omits to state a fact that would make the statements contained misleading. Each document Broker submits to RSM is in every respect valid and genuine, being on its face what it purports to be. All information Broker submits to RSM in connection with the Application is true, correct, and complete. Broker shall not submit any false, fraudulent, inaccurate or erroneous information or statement, or omit any material facts necessary to make any statements or information included in the Loan or Application true, correct, and complete. This representation and warranty shall apply where Broker (a) knew or should have known of the fraud or misstatement of material fact, (b) failed to follow standard practices and procedures prevalent in the mortgage banking industry, or (c) has non-arms-length business, financial or personal affiliation with, or financial interest in any third party to the transaction. Broker expressly acknowledges that RSM relies on the information provided by the broker as to its truth and accuracy.

3.6. Factual Disclosure.

With regard to all application submitted to RSM for hereunder, all facts relating to any prospective mortgage loan transaction that are known or should be known to Broker, and that may adversely affect the value of the mortgaged property; the credit, character, or capacity of the borrower, the validity of the mortgage, or any other aspect of the transaction, have been disclosed in writing to RSM. Further, Broker has not withheld knowledge of any circumstances or conditions with respect to the application, the related property, the applicant or the applicants' credit or income standing that could be reasonably construed to negatively impact RSM's, or any other third party, credit decision.

3.7. No Adverse Selection.

Broker has not and will not use any adverse selection procedures in selecting which Applications or Loans to submit to RSM from among the residential mortgage loan applications that are available to submit to RSM.

3.8. Fictitious Names.

Broker has no fictitious name or "doing-business-as" names except those that are disclosed to RSM in writing and registered with the Nationwide Mortgage Licensing System ("NMLS").

3.9. Conflicts of Interest.

In connection with the Loans, Broker shall conduct itself so as to avoid any ethical improprieties or conflicts of interest. Broker shall not have any direct or indirect ownership interest in any property serving as security for the Loan or any business or personal affiliation with, or direct or indirect ownership interest in, any third party vendors providing services with respect to the Loan, including but not limited to, any settlement service providers, notary, credit reporting agencies, real estate agents, appraisers, or title or escrow agents involved in the Loan. Broker shall not act as the real estate agent representing the buyer or seller in connection the Loan or conduct any settlement services related to

the Loan. Broker shall disclose to RSM in writing upon submission of the Application any and all personal or monetary involvement relating in any way to the Loan.

3.10. Quality Control.

In connection with Broker's activities, and at the time of each Loan submission, Broker has in place a written quality control plan and procedures, a specific process for resolving quality control discrepancies, and a method for tracking any and all corrective actions taken.

3.11. Fair Lending.

Without limiting any other provision of this Agreement, Broker shall not discriminate with respect to any Loan Application and related Loan in violation of Applicable Laws. Broker acknowledges that RSM: (i) has implemented a fair lending policy (which is available on RSM's website); and, (ii) will monitor loan submissions for fair lending performance in conformity with its internal fair lending policy and with Applicable Laws. RSM reserves the right to terminate this Agreement for Broker's failure to comply with any and all fair lending laws and regulations or RSM's fair lending policies.

3.12. Marketability of Loans.

Broker has no knowledge of any circumstances or conditions with respect to any Loan, the applicants, or the property securing the Loan, that can reasonably be expected to: (i) cause an any governmental, quasigovernmental or institutional secondary mortgage market investor to regard the purchase of the Loan as an unacceptable investment, (ii) cause any Loan to become delinquent, or, (iii) adversely affect the value or marketability of any such Loan.

3.13. Performance of Services.

Broker has performed at least the minimum services required by RESPA, Regulation X, and statements of policy issued by HUD or other federal regulatory agencies to earn compensation as a mortgage broker, including all of the following services normally performed in the origination of a loan:

- (a) Taking information from the borrower and filling out the application;
- (b) Analyzing the prospective borrower's income and debt and pre-qualifying the prospective borrower to determine the maximum mortgage that the prospective borrower can afford;
- (c) Educating the prospective borrower in the home buying and finance process, advising the borrower about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product;
- (d) Collecting financial information (tax returns, bank statements) and other related documents that are part of the application process;
- (e) Initiating/ordering requests for mortgage and other loan verifications;
- (f) Assisting the borrower in understanding and clearing credit problems;
- (g) Maintaining regular contact with the borrower, realtors, and RSM between application and closing to apprise them of the status of the application and to gather any additional information as needed;
- (h) Ordering legal documents; and,
- (i) Participating in the loan closing.

No party other than Broker has performed such origination services.

3.14. No Solicitation.

Broker shall not directly or indirectly solicit any borrower to refinance a Loan within 180 days after the first payment date of such loan. Notwithstanding the foregoing, it is understood and agreed that (a) promotions undertaken by the Broker or any affiliate which are directed to the general public at large, including, without limitation, mass mailing based on commercially acquired mailing lists, newspaper, radio and television advertisements, and (b) customer retention communications to the borrower personally, by telephone or mail such as newsletters, birthday cards, and requests for referrals shall not constitute a violation of this subsection.

Broker shall not directly or indirectly solicit for purpose of employment any employee of RSM and its affiliates.

3.15. Post Closing Documentation

Broker agrees that it is responsible to assist in obtaining and delivering post-closing documents that may be required from time to time to complete mortgage loan processing. Broker understands that it is not authorized or empowered to clear any conditions on behalf of RSM. Broker agrees to exercise its best efforts to take all actions necessary, in a timely and accurate manner, to obtain documents or corrections as may be necessary to assist RSM. The failure, refusal and/or neglect of Broker to secure such required post-closing documentation in a timely manner shall entitle RSM demand repayment of any RSM Paid Compensation, or to exercise a right of set off with respect to any amounts due Broker.

4. DUTIES OF RSM**4.1 Underwriting of Loans.**

RSM or its designee shall underwrite every eligible Application submitted pursuant to this Agreement. RSM may close and fund Loans submitted by Broker that meet all criteria of RSM's then applicable underwriting guidelines and policies and procedures set forth in the Guidelines. RSM shall have no obligation to issue a commitment for or close a Loan which it determines, in its sole discretion, does not meet RSM's or an investor's Guidelines. RSM in its sole discretion may decline any Application that does not comply with the terms of this Agreement or meet RSM's or an investor's Guidelines. RSM shall notify Broker promptly of any such decision.

4.2 Reliance on Information Broker Submits.

RSM and Broker agree that RSM may rely on the information, authenticity, and accuracy of all signatures and information supplied by Broker in connection with each Loan. RSM's decision not to conduct an independent investigation with respect to the information, authenticity, and accuracy of all such signatures and information shall not affect or modify the representations and warranties made by Broker under Section 2 and 3 above or the rights available to RSM for any breach of such representations and warranties.

4.3 Issuance of Commitments.

If RSM determines that an Application meets its Guidelines, RSM shall issue a commitment in its name to the borrower setting forth the terms and conditions under which it will close the Loan and advance funds. If RSM determines that a Loan does not meet its Guidelines, RSM will issue a notice of declination to the borrower in compliance with all state and federal laws and regulations. RSM will have no obligation or liability to Broker for any decision to decline a Loan or for any delays in determining whether a Loan meets Guidelines.

4.4 Funding of Loans with Broker's Assistance.

Upon the issuance of a commitment in RSMs name to Borrower, RSM shall proceed with the closing and funding of the Loan under the terms and conditions of its commitment to the Borrower. The documents evidencing any such Loan shall reflect only RSM as the creditor. Broker shall provide such assistance as required by RSM to close the Loan in a timely and efficient manner.

5. REMEDIES.**5.1. Early Payoff.**

If any conforming or government loan repays in full within the first 180 calendar days or any NON QM loan repays in full within the first 365 days after the first payment date of the Loan, then Broker shall, within fifteen (15) calendar days after notice from RSM, refund to RSM the amount of any RSM paid compensation previously paid to Broker by RSM or any credit used by the borrower to reduce or offset the borrowers settlement charges. The recapture of any RSM paid compensation to Broker or the reimbursement of any credit used by the borrower to reduce or offset costs and fees are strictly liabilities of Broker. Broker shall not seek to recover such fees from the borrower and such fees do not constitute a prepayment penalty applicable to the borrower by RSM.

5.2 Loan Repurchase.

Broker shall repurchase any Loan submitted to RSM under this Agreement within thirty (30) business days of receipt of written notice from RSM as set forth in this Section 5.2. Upon receipt of notice from RSM of a repurchase obligation, if such repurchase is capable of being cured, Broker shall have a period of thirty (30) days from the date of the notice in which to cure the circumstances giving rise to such repurchase. If Broker fails to cure such circumstances within this time frame as determined by RSM in its reasonable discretion, Broker shall repurchase the affected Loan by paying RSM the related Purchase Price immediately after the conclusion of the cure period. With respect to any repurchase set forth in this Section 5.2 that is not capable of being cured by Seller, Seller shall repurchase the affected Mortgage Loan by paying the Purchase Price within thirty (30) business days of receipt of written notice of a repurchase. Broker shall repurchase any Loan submitted to RSM if any Loan becomes thirty (30) days or more delinquent during the first three (3) scheduled payments, and the Loan is not brought current by the borrower within ninety (90) days of such delinquency. Broker shall not have the right to advance funds for or on behalf of a borrower for any delinquent payment or to otherwise make funds available to any borrower to avoid or cure a default by the borrower.

5.3 Purchase Price.

The price to be paid by Broker ("Purchase Price") to RSM (or the assignee of RSM) for Loans subject to repurchase under this Agreement shall be:

- (a) the unpaid principal balance of such Loan; plus,
- (b) all interest accrued but unpaid on the principal balance of the Loan from the paid-to-date of the Loan through and including the last day of the month in which the purchase occurs; plus,
- (c) the amount of any RSM paid compensation previously paid to Broker by RSM or any credit used by the borrower to reduce or offset the borrowers settlement charges with respect to such Loan; plus,
- (d) all reasonable fees and expenses of RSM in enforcing Broker's obligation to purchase such Loan; plus,
- (e) all fees, interest, charges and expenses incurred by RSM in connection with the warehousing of the Loan; plus

- (f) any unreimbursed advances made by RSM with respect to such Loan, including but not limited to taxes or insurance and other payments authorized by the Loan documents or law to protect the security interest; less,
- (g) any proceeds of mortgage insurance with respect to the Loan collected by RSM.

5.4 Wire Transfer.

Broker shall complete such repurchase by wire transfer from to RSM of immediately available funds in an amount equal to the Purchase Price as set forth below. Upon receipt by RSM of Broker's funds for the repurchase, RSM shall release to Broker the related Loan file and shall execute and deliver to Broker such instruments of transfer or assignment, in each case without recourse, as shall be necessary to vest in Broker, or its designee, title to such repurchased Loan(s). Broker shall assume the cost of recordation of assignments and any and all costs of transfer of any repurchased Loan.

5.5 Set Off.

After RSM makes demand on Broker to indemnify RSM or repurchase a Loan under the terms of this Agreement, RSM shall have the right to withhold any monies otherwise due Broker in connection with the Loan(s) subject to the indemnification or repurchase obligation or any other Loans until Broker and RSM agree that the indemnification or repurchase obligation is satisfied.

6. INDEMNIFICATION

Broker agrees to indemnify, defend and hold harmless RSM and its subsidiaries, affiliates, directors, officers, employees and agents, from and against any and all liability, claims, losses, damages, injuries or expenses (including reasonable attorneys' fees and court costs), arising out of a breach of any of Broker's representations or warranties or obligations or any negligent acts or omissions or willful misconduct in Broker's performance under this Agreement. RSM shall promptly notify Broker of the existence of such claim and shall give Broker reasonable opportunity to defend and/or settle the claim at its own expense and with counsel of its own selection. RSM shall cooperate with Broker and shall at all times have the right to fully participate in, but not control, such defense with RSM's own counsel and at RSM's own expense.

7. BROKER RECORD RETENTION.

Broker shall maintain in its possession or control records evidencing compliance with Sections 2 and 3 of this Agreement with respect to every Loan Broker submits to RSM. Broker shall maintain records evidencing Broker's compliance for each Application or Loan with the LO Comp Rule and anti-steering rules, including but not limited to originator compensation plans, RSM rate sheets, borrower loan option disclosures, and payroll records for at least two years. RSM, and any supervisory agents or examiners of a state or federal governmental agency having jurisdictions over RSM, shall have the right, at any time and after reasonable notice to Broker and without charge, to: (i) examine and audit Broker's books of account, records, reports, compensation plans, payroll records and other documentation in any form, relating to Broker's compliance in connection with any Loan; (ii) make copies and extracts thereof; and (iii) discuss the affairs and accounts of Broker relating to such compliance with Broker's officers and employees, at such times and places and with such frequency as RSM may reasonably request. Broker shall provide access to such records to RSM for review, inspection and copying within three (3) business days of a written request to do so.

8. TERM & TERMINATION**8.1 Effective Date.**

This Agreement shall be effective on the Effective Date first written above.

8.2 Initial & Renewal Terms.

The term of this Agreement shall be one year. RSM will require annual Broker Recertification and upon approval, the Agreement shall renew automatically for an additional one year period.

8.3 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.

8.4 Suspension.

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

8.5 Survival.

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

9. GENERAL PROVISIONS**9.1 Privacy of Customer Information**

Each party shall comply with all federal, state and local laws, rules, regulations and ordinances governing or relating to privacy rights in connection with its performance under this Agreement including, without limitation, the Gramm-Leach-Bliley Act ("GLB"). Each party shall implement such physical and other security measures as shall be necessary to (a) ensure the security and confidentiality of the "nonpublic personal information" of the "customers" and "consumers" (as those terms are defined in GLB) of RSM which Company holds, (b) protect against any threats or hazards to the security and integrity of such nonpublic personal information, and (c) protect against any unauthorized access to or use of such nonpublic personal information. Each party represents and warrants that it has implemented appropriate measures to meet the objectives of Section 501(b) of the GLB and of the applicable standards adopted pursuant thereto, as now or hereafter in effect. Upon request, each party will provide evidence reasonably satisfactory to allow the other to confirm that the providing party has satisfied its obligations as required under this Section. Without limitation, this may include RSM's review of audits, summaries of test results, and other equivalent evaluations of the providing party.

9.2 Warranties of Organization and Authority; Licenses

Each party represents and warrants that: (i) it is duly incorporated or organized, validly existing, and in good standing under the laws of its state of incorporation or organization and/or under the laws of the United States and has the requisite power and authority to carry on its business and operations; (ii) it has all requisite power and authority to enter into this Agreement and to consummate the transactions

contemplated hereunder; and (iii) its execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate officers, board members, or other governing body or persons. Each party represents to and covenants that it has and will maintain all licenses necessary to comply with applicable law. Each party acknowledges and agrees that the other party has not provided any legal advice with respect to licenses that are required to be held to conduct its business or to receive payments hereunder.

9.3 Press Releases

Neither party shall issue a press release or make any public announcement related to this Agreement without the prior written approval of the other party.

9.4 Agreement to Arbitrate Claims

Upon written request by either party that is submitted according to the applicable rules for arbitration, any claim, demand or cause of action, which arises out of or is related to this Agreement (collectively, "**Claims**"), shall be resolved by binding arbitration in the County of Los Angeles, California in accordance with: (i) the Federal Arbitration Act; (ii) the Code of Procedure ("**Code**") of the National Arbitration Forum; and (iii) this Agreement, which shall control any inconsistency between it and the Code. The decision of an arbitrator on any Claims submitted to arbitration shall follow applicable substantive law and be in writing setting forth the findings of fact and law and the reasons supporting the decision. Such decision shall be final and binding upon the parties. Judgment upon any arbitration award may be entered in any court having jurisdiction. The arbitrator has exclusive authority to resolve any dispute relating to the applicability or enforceability of this Agreement, including the provisions of this Section. After a demand for arbitration is made, each party may conduct a limited number of depositions (including the production of documents) by mutual agreement or as permitted by the arbitrator.

9.5 Limitation of Liability

EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT AND EXCEPT IN CONNECTION WITH A THIRD PARTY CLAIM, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS OR LOSS OF BUSINESS OPPORTUNITY) WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT. EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT AND PAYMENT OBLIGATIONS HEREUNDER, AND EXCEPT IN CONNECTION WITH A THIRD PARTY CLAIM, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT FOR ANY AMOUNTS AGGREGATING IN EXCESS OF AMOUNTS PAID HEREUNDER IN THE TWELVE (12) MONTH PERIOD BEFORE THE CAUSE OF ACTION AROSE.

9.6 Notices

Any notice required hereunder may be given by personal delivery, by facsimile with confirmation of receipt, by overnight courier with confirmation of receipt, by mail, or by e-mail. Notice will be effective upon receipt unless sent by mail in which it will be effective three (3) business days after mailing. Notice shall be sent to:



WHOLESALE BROKER AGREEMENT

BROKER Company Name: _____
Attention: _____
Address: _____

Email: _____
Phone: _____
Fax: _____

RIGHT START MORTGAGE
Attn: David Williams
80 South Lake Ave, Ste 520
Pasadena, CA 91101
Email:
dwilliams@rightstartmortgage.com
Phone: 626-739-5300

9.7 Assignment

Neither party may assign, transfer or otherwise convey its obligations under this Agreement to any other party without the prior written consent of the other party.

9.8 Independent Contractors

The parties to this Agreement are independent contractors and no agency, partnership, joint venture or employee-employer relationship is intended or created by this Agreement. Nothing in this Agreement shall be construed to appoint Broker as a partner, employee, or representative of RSM and Broker shall not hold itself out as such. Broker shall not use RSM's name, logo, or service marks for any purpose without RSM's written permission.

9.9 Third Party Beneficiaries

Nothing in this Agreement is intended to confer any right, remedy, obligation or liability upon any person or entity other than the parties hereto and their respective successors and permitted assigns.

9.10 Further Acts

The parties agree that each shall, at its own expense (unless otherwise herein provided), at any time and from time to time after the date hereof, upon the other's request, do, execute, acknowledge and deliver all such further acts, assignments, transfers, conveyances and assurances as may be required or reasonably advisable for the transactions provided for or contemplated by this Agreement.

9.11 Governing Law

This Agreement shall be deemed to have been made in and shall be construed under the laws of the State of California and the United States, without regard to conflicts of law provisions.

9.12 Attorneys' Fees

If any claim, legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement or because of a dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other

costs incurred in that claim, action or proceeding, in addition to any other relief to which such party may be entitled.

9.13 Severability

If any term, clause or provision of this Agreement shall be deemed invalid or unenforceable for any reason, the remainder of this Agreement shall remain valid and enforceable in accordance with its terms.

9.14 Entire Agreement & Amendments

This Agreement constitutes the entire agreement between the parties relating to this subject matter, and all prior negotiations and understandings, whether oral or written, are superseded. No modification or amendment of this Agreement shall be effective unless in writing and signed by the parties.

9.15 Headings

The section and paragraph headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.

9.16 Reciprocal Confidentiality

All Confidential Information shared by the disclosing party (the “**Disclosing Party**”) with the receiving party or any of the receiving party’s agents and employees (the “**Recipient**”) shall be treated by the Recipient, as confidential and shall be maintained by the Recipient in confidence and shall not be disclosed in any form without Disclosing Party’s prior written consent. In the event that the Recipient becomes legally compelled to disclose the Confidential Information, the Recipient shall provide the Disclosing Party with prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy. The Recipient shall cooperate with the Disclosing Party in its efforts to obtain such remedies, but the Recipient shall not be required to undertake litigation or legal proceedings in its name. In the event that the Recipient is legally obligated to disclose any Confidential Information, the Recipient shall furnish only the portion of the Confidential Information which is legally required and will exercise its reasonable best efforts to assure that confidential treatment will be accorded the Confidential Information. “Confidential Information” shall mean any oral or written information or material that is proprietary to a party or designated as Confidential Information by a party and not generally known, including, but not limited to, the terms of this Agreement. Each of the parties understands that money damages would not be a sufficient remedy for any breach or threatened breach of this Section by the Recipient and that the Disclosing Party shall be entitled to, among any other remedies, specific performance and injunctive relief without proof of actual damages.

9.17 Incorporation of Exhibits

All Exhibits attached hereto, including any information contained therein, as revised from time to time, are incorporated into this Agreement by this reference.

9.18 No Waiver

No failure on the part of any party to exercise or delay in exercising any right, power or remedy will preclude the exercise of any other right, power or remedy. No express assent or waiver by any party to any breach of any term of this Agreement shall constitute an assent to or waiver of any succeeding breach in the same or any other term.

9.19 Counterparts

This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

9.20 Survival

Sections 2, 3, 5, 6, 7, 8.5 and 9 shall survive the termination of this Agreement.



WHOLESALE BROKER AGREEMENT

IN WITNESS WHEREOF, the parties have fully executed this Agreement as provided below.

Entered into at _____ (City), _____ County,
_____ (State), on _____ (Month/day), _____ (Year).

Broker Company Name: _____

License No: _____

Address: _____

By: _____
Broker of Record Signature

Print Name, Title

By: _____
Principal Officer Signature

Print Name, Title

RSM: **Right Start Mortgage**

Address: 80 South Lake Ave, Ste 520,
Pasadena, CA 91101

By: _____
Signature

Print Name, Title



Policy Statement

It is the policy and intent of Right Start Mortgage, Inc. to support the eradication of loan fraud within the residential lending marketplace.

Loan Brokers and Correspondent Lenders (collectively "Brokers") should be advised that a licensed broker bears the responsibility for all actions, performed in the course of business, of his or her employees and licensees.

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE OR MISREPRESENTED INFORMATION IS A FEDERAL CRIME!
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Although loan fraud or negligent misrepresentation may be perpetrated in many forms, some of the most common examples are shown below:

- ❖ Submission of inaccurate information, including false statements on loan application(s) and falsification of documents purporting to substantiate credit, employment, deposit and asset information or personal information, including identity, ownership/non-ownership of real property, etc.
- ❖ Forgery or misrepresentation of partially or predominantly accurate information.
- ❖ Inaccurate representations of current occupancy or intent to maintain required occupancy as agreed in the security instrument.
- ❖ Lack of due diligence or concern by broker, loan officer, interviewer or processor, including failure to obtain or divulge all information required by the application and failure to request information as dictated by Borrower's response to other questions.
- ❖ Acceptance of information or documentation which is known or suspected to be inaccurate or acceptance of information which should be known to be or suspected to be inaccurate. This includes simultaneous or consecutive processing of multiple owner-occupied loans from a single applicant where information differs on each application, and permitting an applicant or interested third party to assist with the processing of the loan.
- ❖ Failure of broker to disclose any relevant or pertinent information.

CONSEQUENCES OF LOAN FRAUD

The consequences of residential loan fraud are far-reaching and expensive. Right Start Mortgage, Inc. warrants the quality of its loan production to its investors. Fraudulent loans may not be sold in the secondary market for home mortgages. If a loan was discovered to be fraudulent after its sale, Right Start Mortgage, Inc. would be obligated to repurchase the loan from the investor. Fraudulent loans would harm Right Start Mortgage, Inc.'s reputation and strain its relationship with its investors and mortgage insurance carriers.

The consequences to those who participate in loan fraud are even more severe.

Following is a list of a few of the repercussions that may be experienced:

To the Broker who participated in the fraud:

- ❖ Criminal prosecution which may result in possible fines and imprisonment.
- ❖ Revocation of the Broker's License.
- ❖ Inability to access lenders caused by the exchange of legally permissible information between lenders, mortgage insurance companies, FHLMC, FNMA, police agencies, and state and federal regulatory agencies, including the Department of Real Estate (DRE) and the Department of Corporations (DOC).
- ❖ Civil action by Right Start Mortgage, Inc.
- ❖ Civil action by the applicant (borrower) and/or other parties to the transaction.
- ❖ Loss of approved broker or correspondent status with Right Start Mortgage, Inc.

To the Borrower:

- ❖ Acceleration of debt as mandated in the security instrument (Deed of Trust or Mortgage)
- ❖ Criminal prosecution which may result in possible fines and imprisonment.
- ❖ Civil action by Right Start Mortgage, Inc.
- ❖ Civil action by other parties to the transaction, such as the seller or real estate agent/broker.
- ❖ Termination of employment.
- ❖ Forfeiture of any professional licenses.
- ❖ Adverse, long term effect on credit history.

I have read the foregoing. I understand and accept Right Start Mortgage, Inc.'s Loan Fraud Prevention Policy.

By:

(Signature of Broker of Record)

(Print Name)

(Company Name)

(Date)

By:

(Signature of Principal Officer, if applicable)

(Print Name)

(Company Name)

(Date)



Authorized Loan Officers

List all your organizations loan originators submitting loans.

	Loan Officer Name	Email Address	Phone	Title	NMLS ID	License Number	License State	License Expiry Date
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

NOTE:

The above information is used to check names against industry watch lists, exclusionary lists and various licensing boards. Right Start Mortgage only accesses PUBLIC information. You may provide a list of licenses from the Nationwide Mortgage Licensing System or state licensing agency for ease.



Anti-Money Laundering and Bank Secrecy Act Compliance

On February 14, 2012, the United States Department of Treasury Financial Crimes Enforcement Network (*FinCEN*), issued a final rule (*31 CFR Parts 1010 and 1029 Anti-Money Laundering Program and Suspicious Filing Report Filing Requirements for Residential Mortgage Lenders and Originators*) requiring non-bank residential mortgage lenders, mortgage loan brokers, and originators to establish an Anti Money Laundering (*AML*) program and file Suspicious Activity Reports (*SARs*) under the Bank Secrecy Act (*BSA*). Compliance with the new rule is required as of August 13, 2012.

FinCEN defines non-bank residential mortgage lenders and originators as loan or finance companies and mortgage loan brokers for the purpose of requiring them to establish AML programs and report suspicious activity under the BSA.

Right Start Mortgage requires each broker to certify that an AML program that complies with the FinCEN rule identified is in place.

The undersigned certifies that the undersigned mortgage loan broker has established an Anti-Money Laundering program that complies with 31 CFR Parts 1010 and 1029.

Right Start Mortgage reserves the right to request evidence of compliance.

The undersigned mortgage loan broker agrees to provide evidence of compliance, if requested.

Executive Officer Signature

Date

Printed Name

Title

Company Name

Company Address

Request for Taxpayer Identification Number and Certification

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

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

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

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

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

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

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

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

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

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

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

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

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

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

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

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

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

Payments you receive will be subject to backup withholding if:

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

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

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

Penalties

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

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

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

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

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

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

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

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

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

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

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

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

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

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

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

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

Part II. Certification

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

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

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

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

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

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

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

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

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

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

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

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

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

Secure Your Tax Records From Identity Theft

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

To reduce your risk:

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

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

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

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

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

Protect yourself from suspicious emails or phishing schemes.

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

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

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

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



LENDER PAID COMPENSATION AGREEMENT AND FORM

Under the amendments to Regulation Z, 12 C.F.R. 226.36, you will be compensated by Right Start Mortgage ("RSM") or the borrower(s), but not by both on the same transaction.

Upon the submission of your loan to RSM, we will require the completion of a compensation selection form that confirms the choice of lender paid compensation or borrower paid compensation.

For lender paid compensation, you will be able to make the following compensation selections:

1. Compensation based on a percentage of the loan amount for each loan, and/or;
2. A set minimum and maximum dollar amount of compensation;

Once the lender paid compensation agreement is made between you and RSM, the compensation selection will apply to all Lender Paid mortgage loans submitted to RSM. The compensation agreement will remain in effect until RSM receives and approves a written request to change the compensation schedule. Compensation changes can only be requested every 90 days. Exceptions to the 90-day rule may be submitted but will be subject to RSM approval.

A request to change the compensation schedule must be provided to RSM at least 2 business days before the start date of the next month and in evaluating such a request, RSM will review various factors, including and without limitation, loan performance, loan volume, and market conditions.

Borrower paid compensation will be negotiated between you and the borrower.

The amendments to Regulation Z prohibit steering borrower(s) to close transactions that will result in greater compensation, unless it is in the borrower's interest. To facilitate compliance, the rule provides for and RSM requires that you comply with the safe harbor provision by presenting loan options to the borrower for each mortgage loan. The loan options must be provided in compliance with TILA, Reg. Z. You will be required to document compliance with the safe harbor provision by providing a completed Consumer Loan Options/Anti-Steering Disclosure, or a comparable document from another LOS system.

Company Name: _____

Broker Owner Name: _____

Applicable offices: ☐ Corporate ☐ Specific Branch(s) ☐ All Offices

Broker IDs: _____

(Please include all branch broker IDs to be included. Offices/branches in the same state must have the same compensation plan.)

Broker Address: _____

City, State and Zip: _____, _____



For all applications where Broker will be compensated directly by Right Start Mortgage under a lender paid compensation selection, Broker requests payment according to the following compensation schedule:

LENDER COMPENSATION DESIGNATION (SELECT ONE)

Please indicate by choosing one box. The first box allows choosing in .125% increments up to 2.75%

☐ _____ ☐ 1.00% ☐ 1.25% ☐ 1.50% ☐ 1.75% ☐ 2.00% ☐ 2.50%
(Other)

Minimum Revenue Amount \$ _____ Maximum Revenue Amount \$ _____ Additional Amount \$ _____

(note: if any amount above 2.5% is chosen, then no Additional Amount will be allowed.)

By signing below, Broker agrees to the following:

- Broker will pay loan officer(s) in compliance with the loan originator compensation rules and applicable law.
- Should RSM identify that Broker's compensation or negotiated fees exceed applicable law, such compensation, fee or fees may be reduced, without notice to the Broker, to achieve levels which do comply, to a maximum reduction of \$500. Any such amount exceeding \$500 will require Broker's specific approval in writing.
- RSM may fund a loan and may temporarily withhold the Broker's compensation until all funding conditions have been met.
- Broker agrees to retain records of loan originator compensation for a period of five (5) years and make such records available to RSM upon request.
- Broker understands that the compensation option selected above shall apply to all loans and continue until amended in writing as permitted by RSM.
- Broker represents and warrants that signer has the authority to sign this document on behalf of the company listed above.

If a change is requested, provide a detailed explanation for the change. All changes are subject to RSM approval.

_ Broker Authorized Agent Signature

_ Broker Authorized Agent Name and Title

For approved Brokers please complete, sign and email this form to: brokerapproval@rightstartmortgage.com

NOTE: Broker Compensation Plans that are being submitted for change must be submitted by noon (PST) 2 business days prior to the first of the month and will apply to all loans submitted after the execution date of this agreement.