



SELLER ELIGIBILITY

NDL1 Correspondent

*****Closes in client's name, FCM prepares closing documents, FCM underwrites file***

*****Minimum net worth of \$25,000***

Required Documentation for NDL1 Correspondent

1. Correspondent Agreement, AIR Addendum and Resolution (if brokering any products, LO Compensation Agreement required)
2. Most recent financial statements, tax returns or bank statements showing minimum net worth requirement (Bank and Credit Union financials will be obtained by FCM)
3. QC plan
4. Resumes of all principals (if a Bank or Credit Union, only need Mortgage Department Manager's Resume)
5. POA (original) mailed to FCM, Attn: Legal, 508 W 800 N, Orem, UT 84057
6. Warehouse Line Agreement (N/A on Banks or Credit Unions)
7. Sample Bailee Letter (N/A on Banks or Credit Unions)
8. Wiring Instructions (on company letterhead)
9. MERS Org ID# - Proof of MERS Lite Membership (FCM will handle all MERS transactions)

NDL2 Correspondent

*****Closes in client's name, client prepares closing documents, FCM underwrites file***

*****Minimum net worth:***

- \$75,000 (using fulfillment company to prepare closing documents)
- \$250,000 (preparing own closing documents)

NDL3 Correspondent

*****Closes in client's name, client prepares closing documents, FCM underwrites file***

*****Compliance review performed once loan is submitted for purchase***

*****Minimum net worth:***

- \$2,000,000

Required Documentation for NDL2 / NDL3 Correspondent

1. Correspondent Agreement, AIR Addendum and Resolution (if brokering any products, LO Compensation Agreement required)
2. Most recent financial statements, tax returns or bank statements showing minimum net worth requirement (Bank and Credit Union financials will be obtained by FCM)
3. QC Plan

4. Resumes for all principals (if a Bank or Credit Union, only need Mortgage Department Manager's Resume)
5. Resume of the Closer (N/A if using Fulfillment Company)
6. POA (original) mailed to FCM, Attn: Legal, 508 W 800 N, Orem, UT 84057
7. Warehouse Line Agreement (N/A on Banks or Credit Unions)
8. Sample Bailee Letter (N/A on Banks or Credit Unions)
9. Wiring Instructions (on company letterhead)
10. MERS Org ID# - Proof of MERS Lite Membership (Correspondent is responsible for all MERS transactions)
11. E&O Policy of at least \$300,000 (N/A if using Fulfillment Company)

Maintaining Eligibility:

Any Correspondent approved for participation in the First Colony Mortgage Corporation (herein after referred to as FCM) Correspondent Program must continue to meet the eligibility requirements herein to maintain its eligibility and approval to participate.

Notification of Significant Changes:

The Correspondent must send FCM written notice of any contemplated major changes in its organization, including with its notice copies of any filings with, or approvals from, its regulators. FCM requires notice of, among other things, the following significant changes relating to the Correspondent:

- Any mergers, consolidations or reorganizations;
- Any direct or indirect material change in ownership. An "indirect change in ownership" includes any change in the ownership of the Correspondent's parent, any owner of the parent, or any beneficial owner of the Correspondent that does not own a direct interest in the Correspondent;
- Any change in corporate name;
- Any change from a federal charter to a state charter (or vice versa) if the Correspondent is a credit union or a bank; and
- Material adverse change in financial condition

Changes to Corporate Authority and Banking Relationships

In the event that there is any change in the authority evidenced by the Corporate Resolution or in the banking relationships including warehouse facilities, the lender must immediately deliver to FCM a replacement Corporate Resolution or Certificate of Authority, which accurately reflects the corporate or other organization's authorizations granted by the lender, or a Funding Instructions Notification which accurately describes the banking relationships in effect, as applicable. FCM will not recognize any changes in the Correspondent's corporate authorizations or funding instructions

until the replacement Corporate Resolution, Certificate of Authority or Funding Instructions Notification, as applicable, is received by FCM. Replacement Corporate Resolutions, Certificates of Authority and Funding Instructions Notifications must be sent to FCM, Attn: Correspondent Lending Administration.

Annually at a date determined by FCM, the Correspondent must deliver the following to FCM:

- The Correspondent's financial statements for the preceding fiscal year; and,
- If the Correspondent has a parent corporation, the most recent financial statements for the parent corporation.

If requested by FCM, the Correspondent must provide such other documentation as may be necessary to satisfy FCM that the Correspondent meets and will continue to meet the applicable eligibility requirements.

Compliance Reporting Requirements

If the Correspondent is subject to the jurisdiction of any governmental agency or quasi-governmental agency such as Fannie Mae, Freddie Mac, or HUD, FDIC, other state agencies, and/or state banking regulators, FCM may request copies of any audit reports issued by such agencies. If any disciplinary action is taken by any such agency, including suspension or termination of the Correspondent's selling or servicing rights, the Correspondent must notify FCM within three (3) business days of such action.

Audits

FCM may audit the Correspondent's mortgage loan origination operations and examine the books and records relating to any mortgage loan sold by the Correspondent to FCM. The Correspondent will facilitate such audits and provide FCM and its agent's access to the Correspondent's offices, books and records at reasonable times during the Correspondent's normal business hours.

I have reviewed the information contained in this Seller Eligibility and our company agrees to furnish the information requested and abide by this section's contents.

Company

Print or Type Name of Authorized

Signature / Date

TPO Attestation

If you cannot answer all of the below statements with “yes”, please attach appropriate documentation for FCM review.

1. I acknowledge that I am responsible for all actions of my firm’s officers, partners, directors, principals, managers, supervisors, loan processors, loan underwriters, loan originators, and other employees (hereinafter referred to as “company,” “owners,” and/or “any employees”) and for the actions of any affiliates participating in loan programs with any entities for or on behalf of the company.

2. I acknowledge that neither my company, nor its owners or any employees, since prior approval or recertification with FCM:

- a. Had any formal complaints filed against them with a federal or state regulatory authority;
- b. Had any threatened or pending litigation involving the owners of the company or the company itself;
- c. Had any customer complaints within the past 12 months regarding False/Deceptive Advertising, Fraud and/or Misunderstanding of Product Terms;
- d. Had an order or sanction entered against them by a federal and/or state regulatory authority;
- e. Had been denied a license or had any registration/license revoked by a federal and/or state regulatory authority;
- f. Had been suspended by another lender or investor or had its approval status terminated for cause.

3. I acknowledge that my company has not been required by another lender or investor to repurchase or indemnify one or more mortgages originated by my company; unless previously reported to and acknowledged by FCM.

4. I acknowledge that my company does not currently employ anyone, including officers, partners, directors, managers, or any other individuals who are listed in (i) the System for Award Management (SAM) database; (ii) the HUD Limited Denial of Participation (LDP) database; FHFA Suspended Counterparty Program list and/or (iii) Freddie Mac’s Excluded Party List. I further acknowledge that my company maintains hiring procedures to screen potential employees against these same exclusionary lists.

5. I acknowledge that my company maintains a Quality Control program, sufficient to ensure compliance with all regulatory and FCM requirements.

6. I acknowledge my company remains in compliance with all applicable provisions of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) or its equivalent under state law, including all Nationwide Mortgage Licensing System and Registry (NMLS) requirements.

7. I acknowledge that neither my company, nor its owners or any employees have been charged with, or convicted of, pled guilty, or nolo contendere to a felony related to fraud, dishonesty, breach

of trust, money laundering, embezzlement, theft, forgery, bribery, falsification of records, or any other crime related to the real estate or mortgage loan industry, unless previously reported to FCM.

8. I acknowledge that neither my company nor any of its principals or officers are delinquent to any government agency for any fees or taxes.

9. I acknowledge that my company has implemented a written anti-money laundering program which adheres to AML guidelines as required by 31 CFR 1010 and 1029.

10. I acknowledge that my company makes all reasonable attempts and efforts and has controls in place to stay apprised of regulatory compliance and fair lending changes that affect my industry.

11. I acknowledge that my company makes all reasonable efforts in ensuring timely and accurate disclosures, if any, that comply with applicable regulations are provided.

12. I acknowledge that my company complies with TILA "LO Comp" rules, in accordance with 12 CFR §1026.36, and specifically the anti-steering and originator compensation provisions.

Signed for TPO Company:

By: _____
Signature

Name: _____
Print or Type Name of Authorized

Its: _____
Title

Dated: _____

First Colony Mortgage Corporation

Application for Non-Delegated Correspondent Approval

Correspondent Name: _____

DBA: _____

Home Office Address: _____

Mailing Address (if different): _____

Tax ID: _____ Telephone Number: _____

NMLS: _____ Account Executive: _____

Primary Contact: _____ Phone: _____

Email: _____

Principals (Resumes required for all Principals) - Banks & Credit Unions N/A

Name	Title	Ownership Percentage	SS#	DOB	Home Address (will NOT be used to pull credit)

CLOSE LOANS AS: **NDL1** **NDL2** **NDL3** **Broker**

CONV _____ _____ _____ _____

JUMBO _____ _____ _____ _____

VA _____ _____ _____ _____

USDA _____ _____ _____ _____

FHA _____ _____ _____ _____

MERS #: _____

FHA ID: _____

VA ID: _____

FHA DE: Do you have FHA DE Underwriting Approval? ____ YES ____ NO

NDL2 Correspondent Only: Remitting Upfront Fees:

FHA: Will you be remitting the Upfront FHA MIP? Yes ____ No ____

VA: Will you be remitting the VA Funding Fee? Yes ____ No ____

*If No, *Fee Remittance Addendum* required

General Information

What LOS (loan operating system) do you currently use? _____

What pricing engine do you currently use? _____

Warehouse Lender: _____ Contact: _____

Credit Limit Amount: _____ Phone: _____

Personnel Contacts:

Purchase Advice sent to: _____ Phone: _____
Name and Title

Email: _____

Funding/Suspense: _____ Phone: _____
Name and Title

Email: _____

NDL2/NDL3 Correspondents Only:

Name of Company preparing Closing Docs and/or Staff Member responsible for communicating with Fulfillment Company (if applicable):

Affiliated Companies: Please list any owned or affiliated companies (i.e. Title Companies, Real Estate Firms, Insurance Companies, Construction Companies, Appraisal Firms, Credit Agencies, etc.).

If additional space is required please attach list. If none, state None.

1. _____ % of Ownership
Name

2. _____ % of Ownership
Name

By signing this application, the Correspondent certifies that it is in full compliance with the regulatory requirements of the Bank Secrecy Act (BSA), Anti Money Laundering (AML) and Office of Foreign Assets Control (OFAC).

By signing this application, the Correspondent certifies that the Correspondent maintains a written policy governing the appraisal ordering process and preparation of appraisal reports maintained on the Correspondent's behalf.

By signing this application, the Correspondent certifies that the proper controls are implemented with regard to quality control, audit and review procedures to ensure the appraisal policy requirements and ordering procedures are followed.

Please forward the original executed Loan Purchase and Sale Agreement to:

First Colony Mortgage Corporation
Attn: Correspondent Approval
508 W 800 N
Orem, UT 84057

First Colony Mortgage Corporation may make reference inquiries and may, at the sole expense of First Colony Mortgage Corporation, order independent background investigations on the Correspondent and/or principal officers.

First Colony Mortgage Corporation may submit the name of the Correspondent and the name of any employee of the company for screening through databases by Mortgage Asset Research Institute (MARI), including Mortgage Industry Data Exchange (MIDEX).

I affirm that all answers and information submitted in this application are true and correct.

I hereby authorize First Colony Mortgage Corporation, at its discretion, to verify the information with any other sources and I hereby waive any cause of action or claim I may have against such source with respect to any information they may provide.

By: _____
Signature

Print or Type Name of Authorized

Company

Date



First Colony Mortgage Corporation

NON-DELEGATED CORRESPONDENT AGREEMENT

This Non-Delegated Correspondent Mortgage Purchase Agreement ("Agreement") is entered into this _____ day of _____, 20____, by and between First Colony Mortgage Corporation (hereinafter referred to as Buyer), and _____ (hereinafter referred to as Seller). The physical address of the Seller is _____.

The email address of Seller is _____.

WHEREAS, First Colony Mortgage Corporation is engaged in the business of, among other activities, purchasing and/or funding originating loans secured by first mortgages or deeds of trust on 1-4 family residential dwellings (hereinafter referred to individually as a "Loan" and collectively as "Loans");

WHEREAS, Seller is engaged in the business of originating, processing the applications for, and preparing and arranging the closings of Loans;

WHEREAS, Seller desires to originate and sell Loans to Buyer;

WHEREAS, Buyer agrees, from time to time, to purchase from Seller certain Loans together with the servicing rights thereto, pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and undertakings set forth in this Agreement, the parties hereto agree as follows:

From time to time pursuant to this Agreement, Seller shall have the option to sell, and FIRST COLONY MORTGAGE CORPORATION shall have the option to buy, all right, title, and interest in an eligible mortgage loan on residential real estate (hereinafter collectively called the "Mortgage Loans" and individually a ("Mortgage Loan") and the related servicing rights in accordance with the terms of this Agreement. This Agreement shall govern the sale and transfer of such Mortgage Loans by Seller to FIRST COLONY MORTGAGE CORPORATION and each such Mortgage Loan shall be subject to the warranties, representations, and agreements set forth herein, subject, however, to the terms and conditions of any separate Commitment (defined below) applying to the specific Mortgage Loan(s). Nothing in this Agreement shall be construed as obligating the Buyer to purchase any Mortgage Loans. Buyer, in its sole discretion, reserves the right to reject any Mortgage Loan for any reason. This arrangement between FIRST COLONY MORTGAGE CORPORATION and Seller is non- exclusive.

1. **LOANS ELIGIBLE FOR PURCHASE:**

The Mortgage Loans submitted by Seller for purchase shall conform with all applicable provisions and requirements of (a) this Agreement, (b) FIRST COLONY MORTGAGE CORPORATION's policies (the "Policies"), and (iii) the program announcements issued by FIRST COLONY MORTGAGE CORPORATION and sent to Seller from time-to-time hereafter ("Announcements"). (The Agreement, the Policies, and the Announcements, each as may be amended or revised from time-to-time hereafter, are hereinafter collectively referred to as the "First Colony Mortgage Guidelines"). FIRST COLONY MORTGAGE CORPORATION reserves the right to amend or modify the First Colony Mortgage Guidelines from time-to-time hereafter in its sole and absolute discretion and to discontinue, cancel or discontinue any mortgage loan program, the terms of which are described in the First Colony Mortgage Guidelines (each as "Mortgage Loan Program"), with or without notice to Seller. Seller shall submit to Buyer only those Loans that are eligible under the First Colony Mortgage Guidelines. All eligible Mortgage Loans shall have closed in the name of Seller, been funded by Seller and for which Seller has performed a Closing. All such Mortgage Loans shall be sold with servicing released to Buyer. All such Mortgage Loans shall be originated and closed according to standard agency and investor guidelines and regulations as established, and amended from time to time, by the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA"), the Federal Housing Administration ("FHA"), the Veterans Administration (VA), and/or the US Department of Agriculture Rural Housing Service ("RHS") (collectively "Agency/GSE Guidelines") and the First Colony Mortgage Guidelines. It is hereby understood and agreed, for purposes of this Agreement, that the aforementioned First Colony Mortgage

Guidelines and Agency/GSE Guidelines are incorporated in and made a part hereof. All Mortgage Loans offered by Seller must be secured by residential first-lien mortgages or deeds of trust. Seller shall be responsible for ensuring the compliance of Mortgage Loans sold hereunder with the applicable First Colony Mortgage Guidelines and Agency/GSE Guidelines in existence at the time of the origination of each Mortgage Loan.

2. **BUYER'S COMMITMENT:**

If Seller desires to sell a Mortgage Loan(s) to Buyer, Seller shall register the Loan(s) with Buyer, as described in the First Colony Mortgage Guidelines. If Buyer wishes to purchase the registered Mortgage Loan(s), Buyer will issue a loan commitment ("Commitment") to Seller to purchase the Loan(s) detailing the specific terms of the purchase, including, without limitation, the purchase price ("Purchase Price") and any servicing release payment paid for each Mortgage Loan. Any Commitment from Buyer to Seller to purchase any Loan(s) shall be issued in accordance with Buyer's then-current lending policies and shall be in Buyer's sole and absolute discretion. The Commitment must be in writing and be signed by an authorized employee of Buyer. The terms of such Commitment shall be applicable only to the Loan(s) specified therein. Upon the issuance of a Commitment, and subject to the terms and conditions of the First Colony Mortgage Guidelines and the Commitment, Buyer shall be obligated to purchase the Mortgage Loan(s) from Seller and Seller shall be obligated to sell the Loans(s) to Buyer. Hereinafter the First Colony Mortgage Guidelines and Commitment shall be collectively referred to as the "Contract Documents."

3. **PAYMENT FOR MORTGAGE LOANS:**

The Purchase Price for any Mortgage Loan shall be paid to Seller upon receipt and approval by Buyer of the Loan File as outlined in the Contract Documents for the purchase Mortgage Loan. "Mortgage Loan Documents" or "Loan File" means the Note, the Mortgage and all other agreements, instruments, and document executed or delivered in connection with a Mortgage Loan, including but not limited to any materials or documents required by the First Colony Mortgage Guidelines. Buyer's review of closing documentation shall include, but not be limited to evidence of compliance with Lender Guidelines, Agency/GSE Guidelines as well as all Federal and State statutes, regulations, and rules, including but not limited to the Federal Truth-In-Lending Act, the Equal Credit Opportunity Act, the Fair Housing Act and the Real Estate Settlement Procedures Act. Payment for Loans will be made via the Federal Reserve Wire Transfer System to the party directed by the Seller. Any amounts collected by Seller for maintenance or improvements to the property, for the escrow of taxes or insurance not yet due, or for other reserves, shall be deducted from the wire amount.

4. **SELLER'S DUTIES.**

- a. Seller shall (i) originate Mortgage Loan(s) at its offices in its own name through its employees; (ii) provide loan applications and all disclosures and deliveries required by all applicable federal, state, and local laws, regulations, ordinances, codes, and rules ("Laws"); and (iii) obtain from potential borrowers executed Mortgage Loan applications and disclosure forms.
- b. Seller shall comply with all procedures established by Buyer for the submission of Mortgage Loan applications under the Mortgage Loan Programs made available by Seller and contained in the First Colony Mortgage Guidelines. Seller shall register an application for a Loan with Buyer only after Seller has determined that the application is complete, and Seller has verified that all materials and information contained in the application and accompanying Mortgage Loan Documents conform with the standards set forth in the First Colony Mortgage Guidelines for the Mortgage Loan Program for which the application is registered.
- c. Seller shall process each loan application according to the Contract Documents and in compliance with all Applicable Laws. Seller shall perform the following tasks, among others, in a timely manner and in accordance with the Contract Documents and Applicable Laws.
- d. Provide to the applicant all disclosures required by Applicable Laws to be provided to an applicant between the time a potential applicant is solicited for a Mortgage Loan and the purchase of the Mortgage Loan by Buyer.
- e. Compile and maintain the information necessary to comply with the Home Mortgage Disclosure Act, 12 U.S.C. 2801 et. seq. and its implementing regulation, Regulation C.

- f. Process the application for closing and prepare mortgage loan documents in accordance with the First Colony Mortgage Guidelines, Agency/GSE and or investor Guidelines, applicable federal and state laws, and any other applicable guidelines.
- g. Close the Mortgage Loan in the name of Seller with funds provided by Seller. Seller acknowledges that Buyer has no obligation to provide any funds to Seller to affect a closing and that Buyer will not engage in “table-funding” or concurrent funding of any Mortgage Loans hereunder.
- h. Perform each of the tasks identified on Exhibit A.
- i. Seller shall strictly comply with all Applicable Laws, including, without limitation, the Real Estate Settlement Procedures Act and Regulation X, Truth-in-Lending Act and Regulation Z, Equal Credit Opportunity Act and Regulation B, Fair Housing Act, Home Mortgage Disclosure Act and Regulation C, National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, and other consumer protection and applicable disclosure requirements. The Mortgage Loan and the loan purchase transaction to be consummated in connection herewith shall conform with all applicable provisions and requirements of the Contract Documents, third party investors and/or agencies.
- j. Seller shall deliver to Buyer all documents and other information and materials concerning the Loan(s), including all of the Mortgage Loan Documents, (the “Closing Package”) as and when required by the Contract Documents. Failure to deliver the Closing Package within the time required by the Contract Documents shall result in an adjustment to the Purchase Price as set forth in the Contract Documents.
- k. Seller shall deliver to Buyer the recorded Mortgage, recorded Assignment of Mortgage, the lender’s title insurance policy, the private mortgage insurance policy, if applicable, and such other Mortgage Loan Documents as may be required from time to time by the Contract Documents, promptly upon receipt thereof.
- l. Seller shall perform a post-closing review of the Loan File prior to selling the Mortgage Loan to Buyer to ensure that the file complies with all of Buyer’s requirements and contains all applicable loan, credit and collateral documentation.

5. UNDERWRITING AND REVIEW.

- a. Buyer will underwrite any and all applications prior to the date on which it purchases the Mortgage Loan pursuant to this Agreement. Notwithstanding, Buyer shall have no obligation to issue a commitment for, or close a

Mortgage Loan which it determines, in its sole discretion, does not meet Buyer's underwriting requirements.

- b. Buyer may, in its discretion, prior to purchasing a Mortgage Loan, conduct a Post Closing Review of the Loan to determine the following:
 - i. If the Mortgage Loan has been closed in accordance with the Contract Documents and this Agreement;
 - ii. If all underwriting conditions have been satisfied;
 - iii. If all Mortgage Loan Documents were properly executed;
 - iv. If any new or additional information has become available which may adversely affect Buyer's decision to purchase; and
 - v. Whether there exist any other matters relating to the origination, underwriting, or closing of the Mortgage Loan that could affect Buyer's election to purchase the Mortgage Loan.

Any Post Closing Review is solely for the benefit of the Buyer, and Buyer shall be under no obligation to disclose the results of such review to Seller.

- c. Buyer, in its sole discretion, may reject and elect not to purchase any Mortgage Loan for no reason or any reason, including, but not limited to, the failure of a Mortgage Loan to comply in every respect with the terms and conditions of this and the Contract Documents, or may place such Mortgage Loan in Post-Closing Suspense Status if it substantially conforms to Buyer's requirements, but does not meet all of Buyer's underwriting, closing, or delivery requirements. Buyer shall promptly notify Seller of such suspense action by written notice which shall identify the correction, clarification, or additional documentation required. Seller must then diligently pursue whatever action may be necessary to correct any deficiency or mistake and must re-submit the additional or corrected documentation to Buyer for final approval. The placement of a Mortgage Loan in Post-Closing Suspense Status shall not constitute a waiver of or otherwise impair Buyer's rights under any other provision of this Agreement.
- d. If Buyer, in its sole discretion, approves a Mortgage Loan for purchase, Seller shall be required to sell the Loan to Buyer in accordance with the terms of this Agreement.
- e. The terms of this Agreement shall continue to apply notwithstanding that any communication or provision of information by Seller to Buyer in relation to the Mortgage Loans may be done by electronic methods or correspondence between Buyer and Seller using the Loan Origination System or other interfaces approved by Buyer.

6. DELIVERY OF DOCUMENTS:

Seller agrees to do all acts necessary to perfect title to the Mortgage Loans to Buyer and shall sell, assign, and deliver to Buyer, with respect to the purchase of each such Mortgage

Loan, the documents set forth in the First Colony Mortgage Guidelines, all subject to the approval of Buyer and its legal counsel as to proper form and execution. No later than sixty (60) days from the date of purchase, Seller shall deliver to Buyer the required final documentation. Should Seller fail to satisfy, within the aforesaid sixty (60) days, the requirements for document delivery with respect to any Mortgage Loan purchased, Buyer reserves the right to withhold service release premiums on subsequent Mortgage Loan purchases. Buyer also reserves the right to charge a fee to Seller in the event that Seller fails to meet delivery timelines. Buyer's right to withhold payment of service release premiums shall be in addition to and not in lieu of Buyer's other remedies hereunder, including the remedy of repurchase as provided in Section 13 hereof.

7. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER:

Seller represents warrants and covenants as follows:

- a. Seller is and shall remain duly organized and a validly existing entity in good standing in the jurisdiction under whose laws Seller's Company is formed. Seller is and shall be duly qualified and in good standing to conduct its business in each jurisdiction in which such qualification is required.
- b. Seller has, and shall maintain, all licenses necessary to carry on its business as now being conducted, including all licenses necessary to conduct the mortgage brokerage/lending business (if applicable) contemplated by this Agreement. Seller is, unless otherwise exempt, licensed, registered, qualified and in good standing in each state in which: (i) real property securing repayment of a Loan is located; and/or (ii) the laws of such state require licensing, registration or qualification in order to engage in Mortgage Loan origination. Seller covenants to maintain all licenses, registrations and qualifications current and in good standing, and to keep itself, and those of its employees, agents or representatives engaged in residential Mortgage Loan origination, licensed, registered and qualified with all applicable regulatory and supervisory agencies during the term of this Agreement. Seller covenants to adhere to and comply with any state or federal record retention requirements. Seller further covenants to notify FIRST COLONY MORTGAGE CORPORATION immediately upon the suspension, revocation, expiration or other termination of any licenses, registrations or qualifications of it or its loan originators, or of the taking of any formal or informal administrative or judicial action by any regulatory or supervisory agency against Seller or its loan originators that could adversely affect the licenses, registrations and qualifications of Seller and/or its loan originators.
- c. Seller has the full power, authority, and capacity to enter into this Agreement; and this Agreement has been duly authorized, executed and delivered by Seller and constitutes a valid and binding obligation of Seller, including its officers, directors, employees, representatives, and agents, enforceable in accordance with its terms, except as such enforcement may be limited by applicable liquidation, conservatorship, bankruptcy, insolvency,

rearrangement, moratorium, reorganization or similar debtor relief laws affecting the rights of creditors generally. The representative of Seller signing this Agreement on behalf of Seller has the right, power and authority to execute and deliver this Agreement. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery, and performance by Seller of, or compliance by Seller with, this Agreement or the consummation of the transactions contemplated by this Agreement or, if required, such consent approval or authorization has been obtained. Seller's compliance with the terms and conditions of this Agreement will not violate any provisions of its charter documents, if any, any instrument relating to the conduct of its business, or any other agreement, law, or regulation to which it may be a party or under which it may be governed.

- d. Except as previously disclosed by Seller to FIRST COLONY MORTGAGE CORPORATION in a writing to be attached to this Agreement as Exhibit B, there is not pending or, to Seller's knowledge threatened lawsuit, action, arbitration, or legal, administrative, or other proceeding or investigation, including an allegation of fraud by another lender, against Seller or its current or former officers, directors, shareholders, employees, representatives and/or agents which would prevent the execution, delivery and performance by Seller of its obligations under this Agreement or which could have material adverse effect upon Seller's business, assets, financial condition or reputation, or upon any loan submitted for sale to FIRST COLONY MORTGAGE CORPORATION and, in the event such proceeding, action, investigation, or litigation shall ensue, Seller shall immediately notify FIRST COLONY MORTGAGE CORPORATION in writing.

- e. Seller shall make prompt, timely, full, accurate and truthful disclosure to FIRST COLONY MORTGAGE CORPORATION of all facts, information, and documentation that Seller knows, suspects or has notice of that could affect, or has affected, the eligibility, validity, collectability, collateral value, security, or enforceability of any loan sold to FIRST COLONY MORTGAGE CORPORATION. All information and documentation given to Buyer by Seller or its agents, both in connection with the approval of Seller to enter into this Agreement and thereafter, was or will be true and correct as of the date it was given and Seller will promptly inform Buyer of any material change involving any previously submitted information. All information set forth in the loan documentation prepared by Seller including all written attachments thereto, is and shall be true, correct, currently valid and genuine. Seller is not aware of any errors, omission, misrepresentation, negligence, fraud, or similar occurrence with respect to any loan that has taken place on the part of any person or entity, including, without limitation, Seller's loan originators and its officers, directors, employees, representatives and agents, the borrower, any appraiser, any builder or developer, or any party involved in the preparation of loans to FIRST COLONY MORTGAGE CORPORATION or the

origination of a loan.

- f. Seller employs and will continue to employ a sufficient number of knowledgeable and capable individuals to perform the services required by this Agreement.
- g. No Seller employee or participants to the transaction is on the Freddie Mac Exclusionary list, HUD's Limited Denial Participation (LPD) and Excluded Parties List (EPLS) or list of similar character or purpose, or subject to applicable state department of banking suspension or revocation of license.
- h. Seller has maintained direct and indirect possession and control of all credit, income, or deposit verification documentation submitted to FIRST COLONY MORTGAGE CORPORATION with respect to any offered loan.
- i. Unless otherwise expressly agreed to by FIRST COLONY MORTGAGE CORPORATION in writing, Seller shall possess and maintain, at no expense to FIRST COLONY MORTGAGE CORPORATION, during the term of this Agreement, fidelity bond coverage and errors and omissions insurance, and shall furnish evidence of such coverage upon execution of this Agreement and from time to time as requested by Buyer. Seller shall notify Buyer of changes thereto or cancellations thereof. Such policies shall be in such amounts and with coverage reasonably satisfactory to Buyer.
- j. In connection with origination of any loans sold pursuant to this Agreement, Seller, for itself and on behalf of every other person or entity involved in the loan transaction, covenants and agrees that it and they has complied fully and in a timely manner with all applicable state and federal laws, including, but not limited to, the following: (i) the Truth-in-Lending Act, and Regulation Z; (ii) the Equal Credit Opportunity Act, and Regulation B; (iii) the Home Mortgage Disclosure Act, and Regulation C; (iv) the Real Estate Settlement Procedures Act (RESPA), and Regulation X; (v) the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 (vi) the Gramm- Leach-Bliley Act, and Regulation P; (vii) the SAFE Mortgage Licensing Act, and Regulation G; (viii) the Mortgage Acts and Practices-Advertising Act, Regulation N; (ix) the federal Fair Housing Act, and similar state and federal nondiscrimination housing laws and regulations; and (x) all other applicable federal and state laws, rules and regulations ("Applicable Laws"). At all times Seller represents and warrants, for itself, and every other person or entity involved in the Mortgage Loan transaction, that it and they shall be in compliance with FIRST COLONY MORTGAGE CORPORATION 's Fair Lending policy, procedures and any amendments thereto. Seller covenants and warrants to provide compliance training for all of its officers, directors, employees and independent contractors pertaining to all aforesaid laws, regulations and rules, and any amendments thereto, on a continuing basis throughout the term of this Agreement, including compliance with the First Colony Mortgage

Guidelines. Seller is in full compliance with all regulatory or supervisory agencies having jurisdiction over Seller's activities to the extent necessary to ensure the enforceability of its loans.

- k. When applicable pursuant to Agency/GSE and/or investor guidelines, all financial statements required to be submitted by Seller to Buyer have been prepared in accordance with Generally Accepted Accounting Practices applied on a consistent basis by an independent Certified Public Accountant or other individual acceptable to Buyer; and
- l. Seller has not and shall not utilize any real estate appraiser, credit reporting agency or other settlement service providers or vendors in connection with any loan that does not comply in all respects with all applicable state and federal laws and regulations, and such standards as may be set forth in the First Colony Mortgage Guidelines.
- m. Seller shall order its appraisals in accordance with all applicable federal and state laws, regulations and rules regarding appraiser and valuation independence.
- n. The financial condition of Seller is adequate to support the performance by Seller on a timely basis of Seller's potential repurchase, indemnification and/or other obligations under this Agreement.
- o. Seller has established and implemented a written Anti-Money Laundering ("AML") program that is reasonably designed to prevent Seller from being used to facilitate money laundering or the financing of terrorism. Seller represents and warrants that its AML program, at a minimum:
 - i. Is based on an assessment of the Seller's risk for money laundering/mortgage fraud activity;
 - ii. incorporates policies and procedures and internal controls for complying with the Bank Secrecy Act ("BSA");
 - iii. designates a Compliance Officer responsible for ensuring that the AML program is implemented effectively, and includes regular and ongoing monitoring of Seller's employees and agents to ensure compliance with that program;
 - iv. provides for ongoing AML training of Seller's employees and agents;
 - v. provides for an independent audit of Seller's AML program every 12-18 months.

In addition, Seller represents and warrants that it has implemented policies and procedures to ensure that Suspicious Activity Reports ("SAR's") are filed electronically, and in a timely manner, in connection with loan transactions of \$5,000 or more if Seller knows, or has reason to suspect, that the transaction:

- vi. Involves funds derived from illegal activity;
 - vii. Is designed to evade the BSA or Seller's AML program;
 - viii. Has no apparent business or lawful purpose; or;
 - ix. Is intended to facilitate criminal activity;
- p. Seller maintains an effective quality control program and Compliance Management System ("CMS") designed to prevent violations of federal consumer financial law, and associated consumer harm. Seller shall make available, upon the request of Lender:
- i. copies of Seller's written policies, procedures, internal controls, and training materials relative to Seller's employees and/or agents that have consumer contact and/or any consumer compliance responsibilities in connection with residential mortgage loan origination; and,
 - ii. permit FIRST COLONY MORTGAGE CORPORATION access, during normal business hours, to the offices of Seller in order that FIRST COLONY MORTGAGE CORPORATION may make appropriate on-site reviews, as necessary to confirm the propriety and effectiveness of Seller's CMS, including an examination of Seller's internal controls and procedures that are designed to protect against a violation of federal consumer financial law and/or consumer harm. Seller agrees to report to FIRST COLONY MORTGAGE CORPORATION, within three (3) days:
 - i. any consumer complaint which in any way involves any of the services contemplated by this Agreement or an Application Package submitted to FIRST COLONY MORTGAGE CORPORATION for funding consideration;
 - ii. any consumer complaint which involves federal or state consumer financial laws, whether or not related to the services contemplated by this Agreement;
 - iii. any legal or regulatory action which alleges a violation of federal or state consumer financial law; and/or,
 - iv. any changes in senior management.

It is understood and agreed that any failure of Seller to fully perform, in whole or in part, any of the terms of this section shall constitute a material breach of this Agreement and the grounds for its immediate termination.

- q. Tax Reporting Requirements. Section 6050H of the United States Internal Revenue Code and regulations promulgated thereunder (collectively, the "Reporting Requirements") require an information return using Form 1098 to be made to the United States Internal Revenue Service, and a statement to be furnished to the Payer of Record (as defined in the Reporting Requirements), in connection with the transaction. Seller desires to designate

FIRST COLONY MORTGAGE CORPORATION as the "Reporting Person" (as defined in the Reporting Requirements) with respect to the transaction as permitted by the applicable Internal Revenue Code.

8. **SELLER'S REPRESENTATIONS, WARRANTIES, COVENANTS REGARDING MORTGAGE LOANS**

With respect to every Mortgage Loan sold by Seller to Buyer hereunder, as of the date of the delivery of the Mortgage Loan, Seller represents, warrants, and covenants as follows:

- a. The Loan Documents have been executed, on the date stated in the Mortgage (the "Closing Date") by any and all person(s) necessary to create and convey a valid and legally enforceable first lien obligation in favor of Seller securing the Mortgage Note; that such lien is superior to all other liens or other claims; and the note evidencing the Mortgage Loan (the "Mortgage Note") is payable to Seller as payee and has been duly executed by the person or person(s) (the "Mortgagor", whether one or more) to whom, or for whose benefit, Seller has disbursed the entire proceeds of the Mortgage Note and who is/are the true and actual person(s) who submitted an application to Seller and who have been approved by Seller and/or Buyer to receive the Mortgage Loan represented by the Mortgage Loan note and Mortgagee; and
- b. The Mortgage Loan was originated by Seller, unless otherwise permitted in the Contract Documents. All parties originating VA or FHA loans ("Government Loans") are fully approved by the applicable agency to conduct the origination activities performed.
- c. The Mortgage Loan was originated, closed and transferred to Buyer in full compliance with all Applicable Laws. The Mortgage Loan and the loan purchase transaction to be consummated in connection therewith conform with all applicable provisions and requirements of the Contract Documents, third party investors and/or agencies.
- d. Each Government Loan conforms with all applicable agency underwriting, lending, selling, and servicing requirements and with all GNMA requirements for the inclusion of the Mortgage Loan in a GNMA MBS pool, and Seller will comply with all documentation requirements of Buyer and the document custodian within the time limitations described in the Contract Documents. If a Commitment requires the Mortgage Loan to be guaranteed by the VA or FHA, the Mortgage Loan is fully eligible for the guaranty, and is, or within 120 days after disbursement of the proceeds by Seller will be, fully guaranteed by the applicable agency.
- e. Each Conventional Loan (all Loans, including Jumbo Loans, other than Government Loans) conforms with all applicable requirements of the

applicable Investor, including, but not limited to, all requirements for the inclusion of such Conventional Loans in the Federal Home Loan Mortgage Corporation ("FHLMC") Guarantor Program and/or the Federal National Mortgage Association ("FNMA") Mortgage-Backed Security Loan Program, and each Conventional Loan conforms with all pooling requirements of the investor. Seller will comply with all documentation requirements of Buyer and the document custodian within the time limitations described in the Contract Documents. If a Commitment requires the Mortgage Loan to be insured by a policy of private mortgage insurance, the Mortgage Loan is fully eligible and qualified to be insured by such policy of private mortgage insurance, such policy is in full force and effect, and no event or condition exists which could give rise to or result in a revocation of or defense to the policy.

- f. The payment due date of the Mortgage Loan is the first day of the month, interest on the Mortgage Loan is computed in arrears with payments (which may be reset periodically) sufficient to fully amortize the Loan by the stated maturity date over an original term of either fifteen (15) years or thirty (30) years from commencement of amortization. The late charge on a Conventional Loan is the lesser of five (5) percent of the monthly principal and interest payment or the amount permitted under state law and the late charge on a Government Loan is the lesser of four (4) percent of the full monthly payment or the amount permitted under state law. The borrower is required to make monthly escrow payments for real estate taxes and insurance premiums unless restricted by law in the state where the Mortgage Loan was originated.
- g. The sale of the Mortgage Loan is in Seller's ordinary course of business and will not result in (i) the breach of any term or provision of Seller's charter or bylaws, (ii) the breach of any term or provision of, or conflict with or constitute a default of or result in the acceleration of any obligation under any agreement, indenture, loan or credit agreement, or other instrument to which Seller or any of its property is subject, or (iii) the violation of any law, rule, regulation, order, judgment, or decree to which Seller or any of its property is subject; and
- h. The entire proceeds of the Mortgage Loan were used by the Mortgagor to finance or refinance the purchase or initial construction of the one to four family residential dwelling permanently affixed to that real property described in the Mortgage (the "Mortgaged Property"), and the Mortgaged Property is or will be used by the Mortgagor as his/her/their principal or secondary residence or for such other purpose as permitted by Agency/GSE and investor guidelines or First Colony Mortgage Guidelines; and
- i. The Mortgage contains enforceable provisions that give the Mortgage holder rights and remedies to realize against the Mortgaged Property as

expeditiously as applicable law allows, including, without limitation, the power of sale; and

- j. Seller has good and merchantable title to the Mortgage Loan as of the Closing Date and the assignment of the Mortgage Loan from Seller to Buyer is valid, sufficient, enforceable and conveys good title to such Mortgage Loan to Buyer, free and clear of any liens, claims, or encumbrances upon such Mortgage Loan; and Seller has not affected any assignment, sale or hypothecation of the Mortgage Loan, except in favor of Buyer; and
- k. Seller will execute and deliver to Buyer all instruments necessary to convey to Buyer all rights, titles, and interests in and to each Mortgage Loan and all documents evidencing insuring, guaranteeing, or securing each Mortgage Loan; and
- l. All taxes and governmental assessments that became due and owing prior to the Closing Date in respect to the Mortgaged Property have been paid; and
- m. Seller has not, and no other person has, advanced any funds for and on behalf of a mortgagor for the purpose of enabling the mortgagor to make any required payments of principal or interest on the Mortgage Loan, or any tax, insurance, special assessment, sewer, utility or similar payments with respect to the property securing the Mortgage Loan, and no subordinate financing was used in the mortgagor's acquisition of the property securing the Mortgage Loan other than subordinate financing fully disclosed to Buyer prior to Commitment and acceptable to an applicable Agency/GSE or investor Guidelines pursuant to their requirements in effect at the time of purchase of the Mortgage Loan by Buyer; and
- n. An escrow of funds in an amount sufficient, in accordance with industry standards or any applicable HUD regulations, to cover a portion of one (1) calendar year's payments of taxes and governmental assessments, hazard insurance and, if applicable, mortgage insurance premiums or guaranty fees on the Mortgaged Property, has been established; and
- o. The unpaid principal balance of the Mortgage Loan is as stated; no part of the Mortgaged Property has been released from the lien securing each Mortgage Loan; the terms of the Mortgage Loan have in no way been changed or modified; and the Mortgage Loan is current and not in default and no condition or circumstance exists that, with the passage of time, would or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation, or event of acceleration, and neither Seller nor its predecessors have waived any default, violation, or event of acceleration.
- p. Seller is the sole owner of each Mortgage Loan to be sold under this

Agreement and has the requisite power and authority to sell, transfer, and assign such Mortgage Loan on the terms herein set forth, free and clear of all liens, claims and encumbrances upon such Mortgage Loan, other than a warehouse lender whose identity has been made known to Buyer; no other party has the option or right of first refusal or other arrangement to acquire directly or indirectly any of the Mortgage Loans offer to Buyer for purchase; and

- q. Each Mortgage Loan is eligible for sale to the FNMA, GNMA, FHLMC, or, if non-conforming (Jumbo) an Investor whose Mortgage Loan eligibility specifications are outlined in the FIRST COLONY MORTGAGE CORPORATION Requirements; and
- r. The Mortgage Loan was properly closed in accordance with the requirements of the First Colony Mortgage Guidelines and all applicable Agency/GSE and/or investor guidelines. The Mortgage Loan complies with all Applicable Laws, as from time to time amended, including but not limited to the following: applicable usury limitations, the applicable laws and regulations governing lending, federal, state and local predatory lending laws, Home Ownership Equity and Protection Act, Bank Secrecy Act, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Flood Disaster Protection Act, the Fair Housing Act, the Truth-in-Lending Act of 1968, the Depository Institutions Deregulation and Monetary Control Act of 1980, the Garn-St. Germain Depository Institutions Act of 1982 and all applicable regulations issued pursuant thereto; and that all conditions as to the validity, transferability and continuation of any FHA Insurance Contract, VA Loan Guaranty Certificate, or RHS Loan Note Guaranty if any, as required by the National Housing Act of 1934, the Servicemen's Readjustment Act of 1944, as amended, or the Cranston-Gonzales National Affordable Housing Act of 1990, and the rules and regulations thereunder, or by the FHA, VA or RHS have been properly satisfied, the right to obtain a FHA Insurance Contract, VA Loan Guaranty Certificate, or RHS Loan Note Guaranty, on each Mortgage Loan will be valid and enforceable by Buyer; and
- s. The Seller has complied with all applicable anti-money laundering laws and regulations, including without limitation the USA Patriot Act of 2003, and the laws and regulations administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), which prohibit dealings with certain countries, territories, entities, and individuals named in OFAC's Sanction Programs and on Specially Designated Nationals and Blocked Persons lists (collectively, the "Anti-Money Laundering Laws"). The Seller has established an anti-money laundering compliance program to the extent required by the Bank Secrecy Act, has conducted the requisite due diligence in connection with the origination of each Mortgage Loan for purposes of the Anti-Money Laundering Laws, including with respect to the legitimacy of the applicable Borrower and the origin of the assets used by said Borrower to purchase the

property in question, and maintains, and will maintain sufficient information to identify the applicable Borrower for purposes of the Bank Secrecy Act; and

- t. The Mortgagor has duly executed and delivered appropriate evidence indicating that the Mortgagor has received any and all disclosure materials as required by applicable law and regulations; and
- u. The full original principal amount of each Mortgage Loan has been advanced to the Mortgagor, either by direct payment, or by payment made on the Mortgagor's request or approval; and all costs, fees, and expenses incurred in making, closing and recording the Mortgage Loan have been paid; and
- v. There is in force a paid-up Mortgagee Policy of Title Insurance on the Mortgage Loan in an amount not less than the outstanding principal balance of the Loan, affirming that the Mortgagor has fee simple, indefeasible title to the Mortgaged Property and insuring the validity and priority of Seller's first lien securing the Mortgage Loan, and such Mortgagee Policy of Title Insurance does not contain any exceptions to or defects in title not otherwise disclosed to and approved in advance by Buyer in writing; and
- w. There is a valid paid-up hazard insurance policy in force, at the time of the purchase of the Mortgage Loan by Buyer issued or written by an insurance company with a Best's Key Rating Guide financial size category of Class III or better, in an amount equal to at least the full replacement value of the improvements on the property secured by the Mortgage. The policy shall be of a type at least as protective as fire and extended coverage and shall contain a mortgagee clause and loss payable clause to the Buyer in the form of the standard mortgagee clause and shall contain suitable provisions for payment on all present and future mortgages on such premises in order of precedence. For properties in a special flood hazard area, there is in force a paid-up flood insurance policy. For properties located in a condominium or PUD project, Seller will provide a certificate of insurance naming Buyer as the insured plus a certified true copy of the Master Hazard and Liability Policy. The mortgage or deed of trust obligates the mortgagor thereunder to maintain the hazard insurance policy at the mortgagor's cost and expense, and on the mortgagor's failure to do so authorizes the holder of the mortgage to obtain and maintain such insurance at such mortgagor's cost and expense, and to seek reimbursement therefor from the mortgagor. Seller has not engaged in and has no knowledge of the mortgagor's having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for herein, or the validity and binding effect of the policy; and
- x. All documents submitted or delivered are genuine, and all other representations as to each Mortgage Loan sold are true and correct and meet the requirements and specifications of all parts of this Agreement,

Agency/GSE and investor Guidelines and the SGT MORTGAGE INC Guidelines;
and

- y. The Mortgage, Mortgage Note, and all other Mortgage Loan Documents executed by the Mortgagor create a legal, valid and binding obligations of the Mortgagor, enforceable in accordance with their terms, there exists as of the Closing Date no right of offset, defense, right of rescission, homestead right, or counterclaim with respect to the Mortgage Note or any of the other documents, and there is no pending or threatened litigation that might affect the validity or enforceability of the Mortgage Note or the Mortgage. All parties to the Mortgage Loan Documents had the legal capacity to execute and deliver the Mortgage Loan Documents; and
- z. The Mortgaged Property is either free of damage and in good repair or the proceeds of the Mortgage Loan will be used to purchase and rehabilitate the Mortgaged Property, there is no proceeding pending or threatened for a partial or total condemnation or partition of the Mortgaged Property, and either there are no mechanic's or similar liens or claims that have been filed for work, labor or material (and no rights are outstanding that under applicable law could give rise to such a lien or claim) affecting the Mortgaged Property or such liens and claims have been insured against under the final Mortgagee Policy of Title Insurance; and
- aa. As of the Closing Date, to the best of Seller's knowledge, after reasonable inspection, the Mortgaged Property is free of damage (including, but not limited to damage by fire, windstorm, vandalism or other casualty), waste and the presence of any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances or other environmental hazards; the property and its improvements are not in violation of any applicable zoning law or regulation and the Mortgage Property is in good repair; and
- bb. All improvements on the Mortgaged Property, including new construction, have been or will be completed in full compliance with any applicable laws, regulations, or building codes and standards, and that the improvements comply with the laws, regulations, or building codes and standards in effect; and
- cc. With respect to each appraisal delivered to Buyer in connection with a prospective Mortgage Loan, the appraisal has been prepared by an appraiser duly licensed or certified under the applicable law where the Mortgage Loan was originated; and for each Government Loan, was acceptable to the applicable agency; and for each Conventional Loan, was acceptable to the applicable investor. Seller will maintain documentation evidencing each appraiser's qualification and licensing or certification, which will promptly be provided to Buyer upon request. The appraisal used in connection with the origination of the Mortgage Loan was ordered, performed, and rendered in

accordance with the requirements of all laws and regulations relating to the origination of the Mortgage Loan and the purchase of the Mortgage Loan by Buyer, including, but not limited to, the provisions of the Financial Institution Reform, Recovery and Enforcement Act and the GSE's Appraiser Independence Requirements.

- dd. Seller has reviewed the appraisal and found the appraisal acceptable in accordance with the standards set forth in FIRST COLONY MORTGAGE CORPORATION's Guidelines, and Seller shall, upon Buyer's request, provide Buyer with any information Seller has in its possession regarding the appraiser or appraisal; and
- ee. No action, error, omission, misrepresentation, negligence, fraud or similar occurrence with respect to the Mortgage Loan has taken place on the part of any person, including, without limitation, the mortgagor, any appraiser, any builder or developer or any party involved in the origination of the Mortgage Loan or in the application for any insurance relating to such Mortgage Loan that might result in a denial, failure or impairment of full and timely coverage under any insurance policies required to be obtained or any pool insurance policy covering the Mortgage Loan.
- ff. There is no agreement, arrangement or understanding between Seller and any borrower to refinance the Mortgage Loan.
- gg. No servicing agreement has been entered into with respect to the Mortgage Loan, or any such servicing agreement has been terminated and there are not restrictions, contractual or governmental, which would impair the ability of Buyer or Buyer's designees from servicing the Loan.
- hh. Seller has not received notice from any borrower or other party with respect to a Mortgage Loan of a request for relief pursuant to or invoking any of the provisions of the Servicemembers Civil Relief Act or any other federal or state law that would have the effect of suspending or reducing the borrower's payment obligations under a Mortgage Loan or that would prevent or restrict the ability of Buyer to commence or continue with the foreclosure of the Loan.
- ii. Seller shall register and transfer the mortgage in the name of Buyer at the time the mortgage is recorded with MERS or delegate Buyer to do so.
- jj. In addition to those representations, warranties, and covenants specifically set forth above, Seller makes all representations, warranties, and covenants expressed by Seller to Buyer orally or in writing with respect to any particular Mortgage Loan, and expressly makes any and all additional representations, warranties, or covenants that are normally or customarily made in connection with a mortgage loan of the same type and terms as the

Mortgage Loan.

9. **NO SOLICITATION.**

Loans sold to Buyer cannot be solicited by Seller for refinance for a period of the later of 6 months or 180 days from the date the Loan is purchased by Buyer.

10. **LENDER REQUIREMENTS:**

In addition to all of the obligations, agreements, representations and warranties specifically set forth herein, Seller hereby agrees to perform all obligations and agreements, make all representations and warranties, and comply with all the provisions of the First Colony Mortgage Guidelines (including any policies and procedures contained in program announcements, memoranda, or other similar communication) delivered to Seller, as may be modified or amended from time to time. Modifications and additions to the First Colony Mortgage Guidelines shall become effective as set forth in Section 1 and 14 of this Agreement.

11. **REPURCHASE OF LOANS:** In addition to any other remedies to which Buyer may be entitled, Seller hereby agrees to repurchase any Mortgage Loan sold to Buyer at any time during the life of such Mortgage Loan, upon the occurrence of any of the following events:

- a. Seller breaches any representation, warranty or covenant in this Agreement or the Contract Documents, or a Mortgage Loan otherwise fails to conform with the applicable requirements for such Mortgage Loan as set forth in the Contract Documents, including, without limitation, any representation or warranty made by Seller under this Agreement or the First Colony Mortgage Guidelines with respect to any Mortgage Loan shall, in the reasonable opinion of Buyer, be, in whole or in part and with or without knowledge of Seller, false at the time when made by Seller or become false upon the occurrence of subsequent events;
- b. A complete Loan File is not submitted to Buyer within 120 days from the disbursement date of the Loan, which Loan File contains all of the documents required by the Contract Documents;
- c. A loan documentation problem exists which occurred prior to the date the Loan File was delivered to Buyer, regardless of when the defect was discovered such as during a post-purchase audit procedure by Buyer;
- d. If a borrower fails to pay any of the first six installments of principal and interest payable to Buyer following sale to Buyer, and such default continues for a period of sixty (60) days;
- e. Any false statement, misstatement, or act of omission of material fact contained in the Mortgage Loan Documents resulting from Seller's negligence or failure to exercise due diligence as disclosed by actual inspection by Buyer or its representative, or otherwise disclosed;

- f. Buyer cannot obtain FHA insurance, VA or RHS guaranty, private mortgage insurance, or if such insurance or guaranty lapses or for any reason becomes unavailable, as a result of any negligent act or omission by Seller, or the failure by Seller to obtain such insurance or guaranty within sixty (60) days from the date of purchase;
- g. Buyer is required to repurchase any Loan sold by it to GNMA, FNMA, FHLMC, or any other investor, by reason of a deficiency in or omission with respect to the Mortgage Loan Documents, instruments, and agreements, pertaining to any Mortgage Loan;
- h. Any material fraud, misrepresentation, or act of omission with respect to the information submitted on a particular Mortgage Loan is determined to exist by Buyer or another investor. This includes, but is not limited to, Mortgagor or other third-party fraud or misrepresentation, and any misrepresentation of Mortgagor's income, funds on deposit, or employment, or of the occupancy status of the Mortgaged Property;
- i. Seller's breach of any covenant or obligation to Buyer with respect to the Mortgage Loan under this Agreement or the First Colony Mortgage Guidelines.
- j. Borrower[s] fail[s] to make any of the first four (4) monthly payments subsequent to the loan purchase date, as described in the Mortgage Loan Documents at the time of closing.

The repurchase price for any Mortgage Loan repurchased pursuant to this Section 12 shall be computed as follows:

- a. The greater of the original purchase price paid by Buyer (but not less than par) or the price Buyer is required to pay to repurchase the Loan from the Agency/GSE or Investor;
- b. Plus all additional advances of principal after the date of the original purchase by Buyer;
- c. Minus all payments in reduction of principal made after the date of the original purchase by Buyer;
- d. Plus all interest accrued but unpaid at the interest rate set forth in the Note on the principal balance of the Loan from the date of sale to Buyer through and including the first day of the month following the month the repurchase is made;
- e. Plus all direct expenses (including attorney's fees) incurred by Buyer for any actions taken by it concerning, as a result of, or in connection with, any of the events or circumstances set forth herein as cause for repurchase.

The Loan shall be repurchased by Seller no later than thirty (30) calendar days after the receipt by Seller of a written demand to repurchase. Buyer may, at its option, withhold the

payment of the Mortgage Loan Purchase Price for subsequent Mortgage Loans until such time as Seller has complied with all outstanding demands for repurchase and provided all delinquent loan documentation.

Upon any such repurchase of a Mortgage Loan by Seller, Buyer shall endorse the Note and shall assign the Mortgage in a recordable form to Seller, without representations and warranties, whether express or implied, and without recourse to Buyer.

Buyer may, in its sole discretion, demand Seller repurchase only the Mortgage Loan and not the servicing rights associated with such Mortgage Loan. In such instances, Buyer shall retain such servicing rights on condition that Seller subservice the Loan on behalf of Buyer under the terms and conditions of a mutually accepted subservicing agreement to be entered into between the parties.

Buyer may elect, in its sole discretion, to waive this repurchase requirement upon such terms and conditions as Buyer may establish, provided however, that any such election by Buyer as to such waiver shall not be deemed a waiver of Buyer's right to enforce the provisions of this Section 12 as to any other Mortgage Loan.

12. INDEMNIFICATION:

Seller shall protect, indemnify, and hold Buyer harmless from and in respect to, any and all losses, liabilities, reasonable costs, and expenses (including attorneys' fees) that may be incurred by Buyer with respect to, or proximately resulting from any breach of, any representation, warranty, or covenant of Seller hereunder. Buyer shall be entitled to rely upon Seller as assembler and preparer of all Mortgage Loan documents and is under no duty whatsoever to investigate or confirm any of the information set forth therein as to its honesty, accuracy, or completeness. Seller hereby agrees to indemnify and hold Buyer harmless from any claim, loss or other damage to Buyer including reasonable attorneys' fees resulting in whole or in part from any inaccuracy or incompleteness in the Mortgage Loan documents or any act or omission by Seller, its agents, and employees, including but not limited to failure to comply with applicable state, federal and local statutes or regulations. To the extent Seller, its agents or employees, commits an actual wrong, or makes some error or omission in the preparation of any Mortgage Loan or its documents and as a result thereof, and based thereon, Buyer commits an act or omission for which it becomes liable to the Mortgagor(s) or any third party and/or a claim or cause of action is instituted against Buyer, Seller shall and hereby agrees to indemnify and hold Buyer harmless from any such loss or damage, including reasonable attorneys' fees, resulting therefrom.

Buyer shall have the complete and exclusive right to determine the conduct and defense of any legal proceeding or investigation with such third party, including, without limitation, the right to compromise, settle, defend or continue such action. Seller's obligation under this Section 13 shall survive the termination of this Agreement. Seller's obligation to fully indemnify Buyer under this Agreement shall not be affected by Buyer taking any of the following actions with or without notice to the Seller: (vi) liquidation, repayment, retirement, or sale or resale of any Mortgage Loan; or (vii) foreclosure of any Mortgage

Loan; (viii) sale or resale of the property securing any Mortgage Loan; of (ix) modification of any of the terms of any Mortgage Loan.

13. **REFUND OF SERVICE RELEASE PREMIUMS:**

- a. If any Mortgage Loan becomes delinquent 60 days or borrower[s] fail to make payment on any of the first four (4) monthly payments due Buyer, Seller shall refund to Buyer all service release premiums received from Buyer with respect to that Mortgage Loan plus an indemnification fee of \$1,000 on conventional and non-conforming loans and \$2,000 on government loans.
- b. In the event a loan is refinanced or prepaid within 6 months of the purchase date, Seller may be responsible for repayment of any and all Service Release Premium paid on the Loan as follows:
 - a) In the event that the borrower refinances or the Mortgage Loan is prepaid in full prior to making the first six (6) payments due to Buyer and/or its assigns following the Purchase Date, Seller shall promptly reimburse Buyer for the total Servicing Released Premium paid calculated internally by Buyer. A payment for which Buyer deducted funds at the time it purchased the Loan from Seller shall not be considered one of the first six (6) payments due Buyer. Within ten (10) business days following receipt of written notice from Buyer, Seller shall pay Buyer the full amount of such any service release premiums.

14. **NOTICES:**

All notices required hereunder shall be in writing, delivered to the last known addresses of the parties, as may be amended from time to time by written notice, and shall be deemed to have been given, made, and received only:

- a. upon personal delivery to a Party;
- b. one (1) business day after the date of deposit if delivered by a nationally recognized courier service offering guaranteed overnight delivery; or
- c. five (5) business days after deposit in the United States first class mail, certified mail, postage prepaid, return receipt requested, and;
- d. The Parties agree that FIRST COLONY MORTGAGE CORPORATION may deliver the First Colony Mortgage Guidelines and/or the Agreement, and all amendments thereto, by posting a copy of the current version of the Agreement and First Colony Mortgage Guidelines and such amendments at a website identified by FIRST COLONY MORTGAGE CORPORATION or by transmitting an electronic version of the First Colony Mortgage Guidelines and/or the current version of the Agreement and such amendments to an e-mail address provided by Seller.
- e. Unless an electronic communication specifically contains a statement that the communication is intended as an electronic signature or consent by

FIRST COLONY MORTGAGE CORPORATION., such communication shall not constitute an electronic signature or consent by FIRST COLONY MORTGAGE CORPORATION pursuant to the Electronic Signatures in Global and National Commerce Act or comparable state or federal laws or regulations.

15. **FINANCIAL STATEMENTS AND RIGHTS TO AUDIT:**

When applicable, pursuant to Agency/GSE and/or investor guidelines, Seller agrees to provide annual audited financial statements to Buyer within ninety (90) days after the close of its fiscal year prepared by independent certified public accountants in accordance with generally accepted accounting principles. Seller will also submit copies of current Mortgage Licenses (where applicable). If Buyer is the Sponsor of the Seller under the FHA Loan Correspondent program, Seller agrees to allow Buyer access to their office facilities and loan records during normal business hours for an on-site compliance audit in accordance with HUD quality control requirements.

16. **INSURANCE:**

Seller shall maintain in full force Errors and Omissions Insurance and a Fidelity Bond, Mortgage Banker Bond or Mortgage Originator Policy in such amounts as Buyer may reasonably require indemnifying Buyer from any loss or damage incurred in connection with this Agreement. Buyer must be named as a "loss payee" and must have the right to file a claim directly with the insurer if Seller fails to file a claim for a covered loss that Buyer incurs. The insurer must agree to notify Buyer at least 30 days before it cancels, reduces or modifies the Seller's coverage for any reason or within 10 days after it receives a request from Seller to cancel or reduce any coverage. Seller shall provide Buyer with a copy of its current bond and insurance policy.

17. **RELATIONSHIP OF THE PARTIES:**

Buyer and Seller hereby agree that neither this Agreement nor any purchase of Mortgage Loans pursuant hereto shall constitute any agency relationship, legal representation, joint venture, partnership or employment. Buyer and Seller agree that neither party is in any way authorized to make any contract, agreement, warranty, or representation, or to create any obligation, express or implied, on behalf of the other.

18. **EVENTS OF DEFAULT:**

Each of the following shall constitute an Event of Default on the part of Seller under this Agreement:

- (i) any breach by Seller of any of Seller's representations, warranties, or covenants set forth in this Agreement or the First Colony Mortgage Guidelines;
- (ii) the failure of Seller to perform any of its obligations under this Agreement or the First Colony Mortgage Guidelines;
- (iii) the occurrence of any act of insolvency or bankruptcy concerning Seller;
- (iv) Seller's failure to meet any capital, leverage, or other financial standard imposed by any applicable regulatory authority, warehouse lender, or in Buyer's sole opinion, any material adverse change occurs in the financial

- condition of Seller;
- (v) any federal or state regulatory authority or licensing agency shall cancel, rescind, or fail to renew Seller's license or institute any action against Seller for fraud or criminal conduct.

19. **RIGHT OF OFFSET:**

In addition to any other rights afforded to Buyer by law or under this Agreement, Buyer shall have the right to deduct any premiums, penalties, fees, taxes, or other charges or obligations of any kind owed by Seller to Buyer from the amount to be paid for any Mortgage Loan purchased by Buyer hereunder or any other loan purchase agreement between Seller and Buyer.

20. **SURVIVAL OF PROVISIONS; SEVERABILITY:**

All of the covenants, agreements, representations and warranties made herein by the parties hereto shall survive and continue in effect after the termination of the Agreement or the consummation of the transactions contemplated hereby. Any provisions of the Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidation of the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument.

21. **ASSIGNMENT:**

This Agreement may not be assigned or transferred by Seller without the prior written consent of Buyer which may be withheld in Buyer's sole discretion.

22. **AMENDMENT/TERMINATION:**

Buyer shall have the right to amend this Agreement with written notice to the Seller. At Buyer's request, Seller shall acknowledge changes to the Agreement in writing, but Seller's failure to provide written acknowledgment of any amendment shall not impair the enforceability of such amendment. This Agreement may also be terminated with respect to future purchases of Mortgage Loans by either party at any time by giving written notice of termination to the other party. Upon the occurrence of any Event of Default as described in this Agreement, Buyer may either terminate this Agreement upon notice to Seller or, without affecting any other rights or remedies available to Buyer under this Agreement or at law or in equity, immediately suspend all registrations and lock-ins and may refuse to fund any or all Mortgage Loans, pending the cure, to Buyer's satisfaction, of such Event of Default. Upon the occurrence of an Event of Default under Paragraph 19(iii), this Agreement shall terminate automatically. Termination of this Agreement shall not in any respect change, alter, or modify the obligations of Buyer and Seller with respect to Mortgage Loans that have been purchased by Buyer from Seller prior to the date of such termination.

23. **ENTIRE AGREEMENT:**

This Agreement and the First Colony Mortgage Guidelines contain the entire agreement of the parties with respect to the subject matter hereof, and there are no representations, inducements, or other provisions other than those expressed in writing and included herein. This Agreement restates and supersedes any and all prior Mortgage Purchase Agreements between the parties.

Buyer may amend the terms of this Agreement by delivering Seller an amended by personal delivery, mail or email. Such amendment(s) shall constitute the current version of the Agreement and shall be deemed accepted and incorporated into this Agreement if Seller submits an Application Package to FIRST COLONY MORTGAGE CORPORATION subsequent to the date that the amended Agreement is delivered to Seller. Seller may not supplement, modify, or amend this Agreement unless such supplement, modification or amendment is agreed to in writing by an authorized representative of FIRST COLONY MORTGAGE CORPORATION.

24. **GOVERNING LAW; INTERPRETATION:**

It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of Utah as to both interpretation and performance. All terms of this Agreement shall be construed and interpreted according to their plain meaning and no term shall be more strictly construed against Buyer merely because Buyer has drafted this Agreement.

25. **CONFIDENTIALITY:**

During the term of this Agreement, Buyer and Seller shall each have available confidential or proprietary information related to the other party. Both parties shall maintain and preserve to the maximum extent permitted by law the confidentiality of any such information and shall be entitled to obtain injunctive relief as required to enforce these provisions. In addition, both parties agree that "nonpublic" personal information (as defined in the Gramm-Leach-Bliley Act) about each borrower furnished to the other party hereunder is furnished upon the express condition that the information will be kept confidential by the receiving party. All such confidential, proprietary, and non-public personal information, except as may be otherwise required by statute, by court order or as may be necessary, in the reasonable judgment of the receiving party, to the performance of the services required under this Agreement, shall be held in confidence. Both parties have established and maintain policies, procedures and safeguards designed to protect the security, confidentiality of this non-public personal information about each borrower and agree to comply with the provisions of the Gramm-Leach-Bliley Act and all implementing rules and regulations regarding consumer financial privacy, to the extent applicable to each of their actions and responsibilities hereunder.

26. **ACCEPTANCE:**

This Agreement shall become binding upon acceptance and execution by Seller & Buyer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Signed for Seller:

Signed for: First Colony Mortgage Corporation

By: _____
Signature

By: _____
Signature

Name: _____
Print or Type Name of Authorized

Name: _____
Print or Type Name of Authorized

Its: _____
Title

Its: _____
Title

Dated: _____

Dated: _____



**EXHIBIT A
DUTIES OF SELLER**

Seller shall exercise its best efforts in connection with the performance of the following duties:

- 1) Pre-Application Sales Activity
- 2) Educate applicant in regard to home buying and financing process
- 3) Order and obtain credit report
- 4) Assist borrower in understanding & clear credit problems
- 5) Pre-qualifying borrowers, analyzing income/debt
- 6) Take Application
- 7) Review the Application for completeness and accuracy
- 8) Run AUS (automatically done in MC when submitted online)
- 9) Product & Fee Quotes/Selection
- 10) Obtain executed Purchase Agreement (if applicable)
- 11) Obtain Firm Fee Quotes (mainly title fees)
- 12) Order Initial Disclosures
- 13) Run Pred Protect
- 14) Issue Initial Disclosures as required by Applicable Laws on a timely basis
- 15) Obtain Intent to Proceed
- 16) Obtain signed disclosures including wet signs
- 17) Obtain initial borrower documents (i.e., paystubs, tax returns, etc.)
- 18) Collect App Fee
- 19) Request Rate Lock
- 20) Manage Rate Lock/Hedge Program
- 21) Order Title
- 22) Order Appraisal
- 23) Order Inspections/Engineering reports
- 24) Order Flood
- 25) Order GEO code
- 26) Order Tax Transcripts
- 27) Order SSA verification
- 28) Verify Income
- 29) Verify Employment
- 30) Verify Assets
- 31) Verify Debts
- 32) Verify Appraisal (using appraisal checklist)
- 33) Deliver appraisal to borrower
- 34) Verify/Clear Title (i.e. processing review, not u/w review)
- 35) Enter updated title fees into CCD (MC)
- 36) Initial Underwriting Review
- 37) Issue NOLA
- 38) Obtain docs to clear borrower conditions
- 39) Obtain docs to clear third party conditions
- 40) Clear Conditions (i.e. 2nd underwriting review)

- 41) Issue CTC
- 42) Obtain VVOE
- 43) Update Mortgagee clause on HOI
- 44) Schedule Closing with Title Company & Borrower
- 45) Prepare pre-close CD
- 46) Pre-closing review
- 47) Prepare and issue Final CD & legal documents
- 48) Wire Funds
- 49) Attend Closing
- 50) Post-closing review
- 51) Resolve any post-close borrower issues
- 52) Package & Ship to Buyer
- 53) Perform any additional services as reasonably required by Buyer to the extent necessary



FAIR LENDING POLICY

It is First Colony Mortgage Corporation (herein after referred to as "FCM") policy to provide all applicants with equal access to credit. In conducting its business, FCM takes applications, and reviews and processes loan applications in accordance with the Fair Housing Act, Equal Credit Opportunity Act, Home Mortgage Disclosure Act, and all other related consumer protection laws and regulations. FCM policy prohibits differential treatment of applicants on the basis of their race, color, national origin, religion, sex, marital status, familial status, handicap, disability, age (provided the applicant has the capacity to enter into contract), or the fact that all or part of the applicants income is derived from a public assistance program; or the applicant has in good faith exercised any right under the Federal Consumer Credit Protection Act.

Similarly, FCM requires its approved Third Party Originators to conform to all applicable federal, state, and/or Agency fair and responsible lending policies and regulations.

Acknowledged by Seller:

By: _____
Signature

Name: _____
Print or Type Name of Authorized

Its: _____
Title

Dated: _____



AUTHORIZATION / RELEASE FOR BUSINESSES AND PROFESSIONALS

_____ (Third Party Originator Name; hereinafter referred to as the "Applicant") acknowledges that it is in the best interest of both Applicant and **First Colony Mortgage Corporation** ("Mortgage Lender") for Mortgage Lender to perform due diligence concerning Applicant's background and experience. Applicant further acknowledges that Applicant benefits from the efficiencies in the due diligence process that are possible when Mortgage Lender and other similarly-situated entities in the mortgage industry exchange information about their experiences in doing business with professionals/entities such as Applicant. Therefore, Applicant hereby consents and gives Mortgage Lender permission to obtain information about Applicant's company and any and all employees/contractors of that company including, but not limited to, professional history information, criminal record information, credit information and other public record information. Applicant understands that Mortgage Lender performs quality control reviews of the loans that Applicant submits to Mortgage Lender for registration, review, underwriting, and/or purchase. Applicant understands and hereby consents to the release of information about any loan application that is believed to contain misrepresentations and/or irregularities. Applicant agrees and gives its consent that it and its employees may be named as the originating entity or loan officers on such loans, whether or not Applicant or its employees is implicated in the alleged misrepresentations and/or irregularities. Applicant hereby releases and agrees to hold harmless Mortgage Lender, LexisNexis Risk Solutions FL Inc., d/b/a Mortgage Asset Research Institute, and LexisNexis Risk Solutions Bureau LLC (collectively, "MARI"), all MARI subscribers, and any trade associations that endorse MARI's mortgage fraud alert products from any and all liability for damages, losses, costs, and expenses that may arise from the reporting or use of any information submitted by Mortgage Lender or any other MARI subscriber to Mortgage Assets Research Institute, Inc., recorded in MARI's MIDEX® database, and used in any way by Mortgage Lender or any other MARI subscriber.

Signed For Applicant:

By: _____
Signature

Name: _____
Print or Type Name of Authorized

Its: _____
Title

Dated: _____

WHEREAS, First Colony Mortgage Corporation (herein after referred to as "FCM") and _____ ("CORRESPONDENT") are parties to a Correspondent Mortgage Purchase Agreement ("Agreement") in order to enable CORRESPONDENT with the capacity to fund a Mortgage Loan using a warehouse line of credit, to maintain control of closing and funding without the associated cost of staffing and other overhead;

WHEREAS, FCM and CORRESPONDENT have also agreed on an arrangement to enable CORRESPONDENT to establish its own appraisal management process and procedures for loans sold to FCM as provided by the CORRESPONDENT Agreement, subject to the following terms, conditions, and requirements;

NOW THEREFORE, CORRESPONDENT hereby warrants that CORRESPONDENT's appraisal management process and procedures, and that the appraisals obtained and loans delivered pursuant thereto, are in all respects compliant with all appraiser independence regulations and guidelines, including those promulgated under Regulation Z [12 CFR §226.42], Uniform Standards of Professional Appraisal Practice (USPAP), and those established by VA, FHA, Fannie Mae, Freddie Mac, FCM, and other private investors, as applicable and as amended from time to time. In particular, without limitation of the foregoing, CORRESPONDENT agrees, represents, and warrants that:

1. **Certification and Licensing:** Any appraiser of a Mortgaged Property will be certified by the state in which the Mortgaged Property is located and such licensing or certification complies with Applicable Requirements. No appraiser of a Mortgaged Property will be included on any Agency's exclusionary list.
2. **No Coercion or Improper Influence:** No employee, director, officer, or agent of CORRESPONDENT or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of CORRESPONDENT, shall influence or attempt to influence the development, reporting, result, or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner including but not limited to:
 - (a) withholding or threatening to withhold timely payment or partial payment for an appraisal report;
 - (b) withholding or threatening to withhold future business for an appraiser, or demoting or terminating or threatening to demote or terminate an appraiser;

- (c) expressly or impliedly promising future business, promotions, or increased compensation for an appraiser;
- (d) conditioning the ordering of an appraisal report or the payment of an appraisal fee or salary or bonus on (i) the opinion, conclusion, or valuation to be reached, (ii) preliminary value estimate requested from an appraiser, or (iii) the closing of a loan for which an appraisal has been ordered;
- (e) requesting that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that an appraiser provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal report;
- (f) providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- (g) providing to an appraiser, appraisal company, appraisal management company, or any entity or person related to the appraiser, appraisal company, or appraisal management company, stock or other financial or non-financial benefits;
- (h) allowing the removal of an appraiser from a list of qualified appraisers, or the addition of an appraiser to an exclusionary list of disapproved appraisers, used by any entity, without prompt written notice to such appraiser, which notice shall include written evidence of the appraiser's illegal conduct, a violation of USPAP or state licensing or certification standards, substandard performance, improper or unprofessional behavior, or other substantive reason for removal (except that this prohibition will not preclude the management of appraiser lists for bona fide administrative reasons based on written, management-approved policies); and/or
- (i) ordering, obtaining, using, or paying for a second or subsequent appraisal or automated valuation model (AVM) in connection with a Mortgage Loan unless: (i) there is a reasonable basis to believe that the initial appraisal was flawed or tainted and such basis is clearly and appropriately noted in the loan file, or (ii) unless such appraisal or automated valuation model is done pursuant to written, pre-established bona fide pre- or post-funding appraisal review or quality control process or underwriting guidelines, and so long as CORRESPONDENT adheres to a policy of selecting the most reliable

appraisal, rather than the appraisal that states the highest value.

3. **Independence from Production:** Any employee of CORRESPONDENT tasked with selecting appraisers for an approved panel or substantive appraisal review must be appropriately trained and qualified in the area of real estate appraisals, and wholly independent of the loan production staff and process. All of CORRESPONDENT's loan production staff, as well as any person who is compensated on a commission basis upon the successful completion of a loan or who ultimately reports to any officer of CORRESPONDENT not independent of the loan production staff and process, will be forbidden from:
 - (a) selecting, retaining, recommending, or influencing the selection of any appraiser for a particular appraisal assignment or for inclusion on a list or panel of appraisers approved to perform appraisals for CORRESPONDENT; and
 - (b) having any substantive direct communications with an appraiser relating to or having an impact on valuation of a Mortgaged Property, including ordering or managing an appraisal assignment.
4. **Delivery of Appraisal to Borrower:** At the time of application, CORRESPONDENT shall notify the Borrower in writing of the right to receive a copy of any appraisal report(s) on the Mortgaged Property. No less than three (3) days prior to closing, CORRESPONDENT shall either (a) obtain from Borrower a written waiver of the right to delivery of a copy of the appraisal report(s) at such time, or (b) provide a copy of any and all appraisal reports concerning the subject Mortgaged Property at no additional cost to the borrower. Notwithstanding a waiver signed by Borrower, CORRESPONDENT shall deliver a copy of the appraisal reports by no later than the closing date.
5. **Policies and Procedures:** Any appraisal company or any appraisal management company providing the appraisal to CORRESPONDENT must have written policies and procedures ensuring appraiser independence, including, but not limited to, adequate training, and disciplinary rules on appraiser independence, and mechanisms in place to report and discipline anyone who violates these policies and procedures.
6. **Audit:** FCM reserves the right to periodically audit CORRESPONDENT's appraisal management process and to obtain copies of CORRESPONDENT's written policies and procedures.
7. **Default:** Failure to comply with any covenants, representations, or warranties hereunder shall be considered an Event of Default under the Agreement, whereupon FCM may exercise its rights and remedies thereunder.

8. **Incorporation by Reference:** This Appraisal Management Addendum is incorporated by reference into the Agreement. To the extent of any conflict with either the Agreement, this Appraisal Management Addendum shall control.

9. **Right of Final Approval:** Nothing herein shall be construed to bind FCM to acceptance or approval of any appraisal tendered by or through CORRESPONDENT in connection with a particular loan.

10. **Termination:** Upon notice to CORRESPONDENT, FCM may terminate, revoke, or modify, with or without cause, the delegation hereunder of management authority over the appraisal process and procedures for any particular Mortgage Loan or in general.

Agreed this ____ day of _____ 20____, as evidenced by the signatures of the parties below.

CORRESPONDENT

By (Sign): _____

Name: _____

Title: _____



Loan Originator Compensation Agreement (Not applicable to BPL/DSCR)

Broker acknowledges it has developed and implemented compensation plans for its Loan Originators which (1) prohibit payments to its Loan Originators that are based on the loan’s interest rate or other loan terms or conditions, (2) prohibit Broker or its Loan Originators from receiving payments directly from a consumer while also receiving compensation from the creditor or another person, and, (3) prohibit Broker or its Loan Originators from “steering” a consumer to a creditor or loan program in order to increase the Broker’s or Loan Originator’s compensation. Broker shall ensure that its policies and procedures regarding Loan Originator Compensation comply with the rule set forth in the TILA, Regulation Z (12 CFR §1026.36(d)-(e)).

I. Prohibitions on Steering

Loan Originators must provide the consumer with loan options from a significant number of the creditors with which the Loan Originator regularly does business. For each type of transaction (i.e. fixed rate or ARM), in which the consumer expressed an interest, the loan options presented must include:

- The loan with the lowest interest rate
- The loan with lowest origination points, origination fees, or discount points
- The loan with the lowest interest rate without certain features, including:
 - o A prepayment penalty
 - o Interest-only payments
 - o Negative amortization
 - o A balloon payment in first seven years

Loan originators must have a good faith belief that the options presented are loans for which the consumer likely qualifies. Loan Originators must obtain options from at least three creditors, unless the Loan Originator regularly does business with fewer than three creditors, or Loan Originator is unable to identify three creditors that provide programs necessary to meet the criteria set forth in the Final Rule (the Loan options bulleted above). If more than three loan options are presented, the Loan Originator must highlight the loan options that satisfy the required criteria noted in the Final Rule.

Loan originators will be required to provide an anti-steering certification with each loan package submitted to First Colony Mortgage Corporation, for all loans that have Lender Paid Compensation.

II. Lender Paid Compensation Selection

Lender Paid Compensation Selection Range			Max Compensation (optional)		Flat Fee (optional)
0.750	1.500	2.250	\$6,000	\$18,000	\$500
0.875	1.625	2.375	\$8,000	\$20,000	\$750
1.000	1.750	2.500	\$10,000	\$25,000	
1.125	1.875	2.625	\$12,000	\$30,000	
1.250	2.000	2.750	\$14,000	\$40,000	
1.375	2.125		\$16,000	\$50,000	

Broker elects Lender Paid Compensation to be _____% * of the principal amount of such mortgage loan as its sole and complete compensation. Compensation may not be updated more frequently than in three-month increments. All State Housing Finance Agency programs will be on a strictly borrower paid basis with the exception of MCC programs.

OPTIONAL: Broker elects maximum Lender Paid Compensation of \$ _____

OPTIONAL: Broker elects Flat Fee of \$ _____

**Please select a compensation amount that best fits your company's business model but also ensures compliance with the points and fees thresholds set forth in TILA QM Rule (§1026.43(e)). We recommend that you closely review all normal and customary fees being charged to the consumer in your market before making your final determination.*

By signing below, I certify that I have read and will be in compliance with all rules as set forth above. This addendum will be incorporated into your current Broker Agreement with First Colony Mortgage Corporation.

Signed for _____

Signed for First Colony Mortgage Corporation

By: _____
Signature

By: _____
Signature

Name: _____

Name: _____

Its: _____

Its: _____

Dated: _____

Dated: _____



HOLDBACK REQUEST FORM

OPTIONAL

Correspondent Name: _____

Email: _____

Phone: _____

AE: _____

Amount of Holdback:

.125 .250 .375 .500 .750 1.000 No Holdback

Products: CONV VA USDA FHA

Expiration Date: _____

Reason for Request: _____

****Note:** Cannot be applied to Broker Transactions. Please mark above accordingly.



508 W 800 N, OREM, UT, 84057
855-463-2630 | fcmtpo.com

 **NMLS#3112**

Special Limited Irrevocable Power of Attorney

STATE OF UTAH

COUNTY OF UTAH

KNOW ALL PERSONS BY THIS DOCUMENT:

That _____ (the "Principal"), a(n) _____ (corporation, LLC, etc.) with its principal offices at _____, _____ County, State of _____, does with this document nominate, appoint, and constitute First Colony Mortgage Corporation of 508 W 800 N, Orem, UT 84057 (the "Agent"), its true and lawful attorney, and in its name, place and stead:

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

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

Principal and Agent hereby acknowledge and agree that Agent has an interest in the subject matter of the powers granted herein, in that the loans evidenced by the Promissory Notes (and the related Mortgage Rights and Documents) were, as contemplated by the Originator Agreement, originated and closed in the name of Principal, with Principal being denominated the original payee in the Promissory Notes and the original beneficiary or mortgagee in the deeds of trust or mortgages securing payment of the Promissory Notes, and immediately upon and concurrently with the closing of the loans, Principal and Agent do hereby agree that Agent is hereby vested irrevocably with the powers granted herein and that, with respect to such loans, Principal does hereby forever renounce all right to (1) Revoke this Special Limited Irrevocable Power of Attorney or any of the powers conferred upon Agent hereby or to appoint any other person to execute the said powers and (2) do any of the acts that Agent is authorized to perform by this Special Limited Irrevocable Power of Attorney.

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

EXECUTED this ____ day of _____, 20 ____.

"Principal"

"Agent"
FIRST COLONY MORTGAGE CORPORATION

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF _____

COUNTY OF _____

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

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

[Notary Seal, if any]:

(Signature of Notary)

NOTARY PUBLIC, STATE OF _____

My Commission Expires On _____

STATE OF UTAH

COUNTY OF UTAH

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

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

[Notary Seal, if any]

(Signature of Notary)

NOTARY PUBLIC FOR THE STATE OF UTAH

My Commission Expires On _____

Resolution of Board of Directors

Of _____
(Company Name)

RESOLVED FIRST, that

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

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

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

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

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

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of _____ at a meeting duly called and held at _____ on the _____ day of _____ 20____ at which a quorum was present and voted, and that such resolution is duly recorded in the minutes book of this corporation; that the officers name in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names.

Authorized Signature

Date

Please list all staff that you would like to have access to our website. User roles are set up as:

Level 1 User (Manager & Processor) – can originate and will have access to all loans in the pipeline

Level 2 User (Loan Officer) – can originate and will only see their own loans in their pipeline

Name	NMLS#	Position	Access Level (1 or 2)	Receive Daily Rates (Y or N)	Email Address

USDA GUS “LENDER AGENT” ACCESS REQUEST

USDA’s Guaranteed Underwriting System (GUS) allows us to setup our mortgage brokers and correspondent lenders with a user security role of “Lender Agent”. Users assigned the “Lender Agent” role will be able to release their GUS findings to First Colony Mortgage Corporation prior to loan submission.

Each of your employees that will have Lender Agent access must create an individual USDA Level 1 eAuthentication ID here: <https://www.eauth.usda.gov>

Once your GUS Account has been created, please complete the below:

Individual’s Name: _____
eAuthentication ID: _____

Individual’s Name: _____
eAuthentication ID: _____

Individual’s Name: _____
eAuthentication ID: _____

Individual’s Name: _____
eAuthentication ID: _____



REQUEST FOR AGENT RECOGNITION

IMPORTANT - READ THE INFORMATION AND INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS FORM.

PRIVACY ACT INFORMATION: Agents cannot be approved to process loans for a sponsoring lender unless a completed application form has been received (38 U.S.C. 3702 and 3710). We need this information to establish sponsor-agent relationships. VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 38, Code of Federal Regulations 1.576 for routine uses (for example: authorize release of information to Congress when requested on behalf of a lender) as identified in the VA system of records, 55VA26, Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records, and Vendee Loan Applicant Records - VA, published in the Federal Register.

RESPONDENT BURDEN: Agent recognition must be obtained prior to closing any loans using the sponsor-agent relationship. Title 38, U.S.C., section 3702 and 3710 authorizes collection of this information. We estimate that you will need an average of 5 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at <http://www.reginfo.gov/public/do/PRAMain>. If desired, you can call 1-800-827-1000 to obtain information on where to send comments or suggestions about this form.

PART I: SPONSORING LENDER INFORMATION

1A. NAME OF SPONSORING LENDER First Colony Mortgage Corporation		1B. SPONSOR VA-LENDER ID 9750740000
2A. SPONSOR POINT OF CONTACT (POC) Yvette Haley	2B. POC E-MAIL yvetteh@firstcolonymortgage.com	2C. POC TELEPHONE NUMBER 801-226-7456

PART II: AGENT INFORMATION

3. NAME OF AGENT <i>(Include DBA, if applicable)</i>		
4. AGENT VA ID NUMBER <i>(If previously issued)</i>	5. AGENT FEDERAL TAX ID	
6. AGENT HOME OFFICE ADDRESS		
7. AGENT WEBSITE <i>(If applicable)</i>		
8A. AGENT POINT OF CONTACT (POC)	8B. POC E-MAIL	8C. POC TELEPHONE NUMBER

PART III: REQUIRED DOCUMENTATION

<input checked="" type="checkbox"/> A. APPLICATION FEE: \$100 MADE PAYABLE TO THE DEPARTMENT OF VETERANS AFFAIRS
<input checked="" type="checkbox"/> B. SIGNED CORPORATE RESOLUTION OR BLANKET CORPORATE RESOLUTION

VA FORM
JUN 2023 **26-8736c**

If sending VA loans, please complete the above, and send a \$100 check made payable to the Department of Veterans Affairs to:

**First Colony Mortgage Corp
Attn: VA Sponsorship
508 W 800 N
Orem, UT 84057**

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.	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	Exempt payee code (if any) _____
	<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.	Exemption from FATCA reporting code (if any) _____
	<input type="checkbox"/> Other (see instructions) ▶ _____	<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.