



BROKER APPROVAL AGREEMENT

Please complete the following items in order to process your application in a timely manner:

- Company Profile
- Broker Agreement
- Loan Fraud Zero Tolerance Disclosure
- Loan Originator Compensation and Anti-Steering Attestation Agreement
- Company Contact List inclusive of the following who will have contact with Acra Lending:
 - ▶ Executives/Principals
 - ▶ Loan Officers
 - ▶ Processors

**Please contact us with any questions.
We look forward to a successful partnership.**

Acra Lending Account Executive: _____

**25531 Commercentre Drive, Suite 160, Lake Forest CA 92630
(888) 800-7661 | acralending.com**

Company Profile:

Company Name:			
Address:			
City:	State:	Zip:	Main Phone:
Mailing Address (If Different):			
City:	State:	Zip:	
Website:			
Primary Contact Person and Title:			
Phone:		Email:	

Company Type (Check All that Apply):

- Mortgage Banker Federally Chartered Bank
 Mortgage Broker State Chartered Bank

Legal Description:

- Sole Proprietorship S-Corporation
 C-Corporation Limited Liability Corp. (LLC)
 General Partnership Limited Partnership

Company NMLS: _____ Federal Tax ID No: _____
 Organization Date: _____ Organization State: _____

Owner(s)	Percentage of Ownership	Trading Symbol (If Applicable)

DBA Information:

If applicable, list all DBA names.

Officers

CEO:	Phone:	Email:
President:	Phone:	Email:
COO:	Phone:	Email:
CFO:	Phone:	Email:
Loan Production:	Phone:	Email:
Operations:	Phone:	Email:
Secondary Marketing:	Phone:	Email:
Quality Control:	Phone:	Email:
Vendor Relations:	Phone:	Email:

General Certifications:

The undersigned declares that, to the best of his or her knowledge, the statements set forth herein are true. Acra Lending (and its subsidiaries and/or affiliates) is hereby authorized to obtain verification of any of the information provided herein.

Officer: _____

Signature: _____

Date: _____

Title: _____



Broker Agreement

THIS AGREEMENT (the "Agreement") is entered into as of this _____ day of _____, 20____ by and between Acra Lending ("Acra Lending"), a California Corporation, having its principal office at 25531 Commercentre Dr., Ste. 160, Lake Forest, CA 92630 and _____ ("Broker), a _____, having its principal office at _____.

Preliminary Statements

WHEREAS, Acra Lending is a mortgage lender that originates and funds residential mortgage loans for portfolio and / or sale to investors in the secondary market;

WHEREAS, Broker assists perspective borrowers in locating residential mortgage lenders to finance the purchase and refinance of residential property;

WHEREAS, Broker assists prospective borrowers in completing and processing loan applications, and evaluates such applications for consideration and review by various residential mortgage lenders;

WHEREAS, Acra Lending and Broker desire to enter into a nonexclusive relationship under which Broker may submit such loan applications and supporting documentation to Acra Lending from time to time for its consideration; and

WHEREAS, Acra Lending desires to consider making loans secured by mortgages to such prospective borrowers in accordance with established terms and conditions.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt, sufficiency, and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Application and Amendment of the Broker Guide

Acra Lending has provided to Broker and Broker has received and reviewed the Acra Lending Underwriting Rate Guide / Matrix (together as the "Guide"), which is incorporated by reference in its entirety into this Agreement. Broker has had the opportunity to ask questions of Acra Lending concerning the guide. Broker understands and agrees that Acra Lending can amend, alter, modify, supplement, replace, or restate the Guide (an "Amendment") at any time, from time to time, in its sole discretion without the consent of Broker and that Acra Lending's interpretation of the Guide, as applicable, shall be final and binding on Broker in all respects. Acra Lending shall give notice to Broker of an Amendment to the Guide, and the Amendment shall become effective immediately or as specifically provided therein. In the event of any inconsistencies between the provisions of this Agreement and the Guide, this Agreement shall control.

Section 2. Definitions

Unless otherwise defined herein, the capitalization terms used herein shall have the meanings set forth in the guide.

Section 3. Eligible Loans; Pricing

- a) Acra Lending's Loan Programs and Product: Acra Lending will accept only those Loan Applications which conform to the Loan Programs and Products then offered by Acra Lending. Broker acknowledges that Acra Lending reserves the right to alter, add, or delete Loan Programs and Products from time to time by amending the Guide, and Broker accepts responsibility for knowing which Loan Programs and Products are offered by Acra Lending at any given time. Broker shall be responsible for assuring that each Eligible Loan Application submitted to Acra Lending complies with all of the terms and conditions of Acra Lending's Loan Programs and Products, and the terms and conditions hereof at the time Broker registers the Eligible Loan Application with Acra Lending.
- b) Eligible Loan Pricing: Acra Lending shall make available to Broker, on a periodic basis, rate and pricing information applicable to its Loan Programs and Products via the Acra Lending website (www.acralending.com). Such rate and pricing information as contained in the Rate Guide / Matrix is subject to change without notice. Broker shall comply with the guidelines set forth in the Guide concerning interest rates and lock-ins which apply to the particular Loan Programs and Products then offered by Acra Lending.

Section 4. Broker Requirements

- a) Taking of Loan Applications: Broker shall take Loan Applications in its own name through its employees. All Loan Applications must have been originated and processed by Broker. Broker shall not submit third party originations under this Agreement.
- b) Registration; Application: Broker shall register each Eligible Loan Application with Acra Lending as set forth in the Guide. Broker shall submit for each Eligible Loan Application registered with Acra Lending, the application signed by the prospective borrowers and such credit, financial and other information as set forth in the Guide and / or as may be required by law. Loan Applications submitted by Broker shall be considered registered upon receipt by Broker or written or electronic registration confirmation from Acra Lending. Broker shall assist Acra Lending in obtaining any additional information needed by Acra Lending or to otherwise facilitate the closing of the loan transaction.
- c) Export of Data Feed and Document Images: Broker shall electronically export to Acra Lending or its designee(s), such loan information data and loan document images as set forth in the Guide and as reasonably required by Acra Lending. Loan Information data shall be exported at time of loan registration or as Acra Lending may otherwise reasonably require. In the event Broker requests an Eligible Loan Application preapproval from Acra Lending, document images shall be exported by Broker two (2) days prior to Acra Lending's pre-approval decision.
- d) Performance of Broker Services: In addition to taking the information from prospective borrowers and filling out the Loan Applications, Broker shall perform services including but not limited to all of the following services:
 - i. Comply with all applicable local, state, and federal laws, including but not limited to the Real Estate Settlement Procedures Act, The Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Credit Reporting Act, predatory lending, usury, consumer credit laws, and any other government regulatory requirements relevant to brokerage of real property secured loan applications in each jurisdiction where the real property securing the promissory note is located;
 - ii. RESERVED;

- iii. Analyze the prospective borrower's income and debt after verifying same and prequalifying the prospective borrower to determine the maximum Eligible Loan that the prospective borrower can afford; educate the prospective borrower in the home buying and financing process, advise the borrower about the different types of loan products available, and demonstrate how closing costs and monthly payments would vary under each product;
- iv. Collect financial information (tax returns, bank statements) and other related documents that are part of the application process and verify and review the same for completeness and accuracy;
- v. Initiate / order VOEs (verifications of employment) and VODs (verifications of deposits), and verify and review the same for completeness and accuracy;
- vi. Initiate / order request for mortgage and other loan verifications;
- vii. Initiate / order appraisals;
- viii. Initiate / order inspections or engineering reports;
- ix. Assist prospective borrowers in understanding and clearing credit problems;
- x. Maintain regular contact with prospective borrowers, real estate Agents, and Acra Lending, between application and closing to apprise them of the status of the application and to gather any additional information as needed; and
- xi. Order legal documents.

Section 5. Duties of Acra Lending

- a) Underwriting of Loan Applications. Acra Lending shall be solely responsible for underwriting all Loan Applications provided by Broker. Acra Lending shall have no obligation to approve or close an Eligible Loan Application which in its sole discretion does not meet Acra Lending's underwriting requirements. In making its determination, Acra Lending expressly disclaims any inference Broker may draw as to the general quality or acceptability of the Eligible Loan Application. Acra Lending retains sole and absolute discretion to reject any Eligible Loan Application which does not comply with the terms and conditions of this Agreement, the Guide or its underwriting standards, or for any reason whatsoever (except as prohibited by law), and to set the terms and conditions of any approval of an Eligible Loan Application. Acra Lending shall notify Broker of Acra Lending's disposition of an Eligible Loan Application as set forth in the guide.
- b) Closing of Loan Applications. Loan Applications will close in the name of Acra Lending. In the absence of any changes occurring or arising after its approval, Acra Lending, or its agents, shall promptly proceed to the closing of each approved Eligible Loan Application in accordance with the terms and conditions of its approval.

Acra Lending, or its agents, shall prepare the closing package and close the Eligible Loan Application in its name and with its own funds. Unless otherwise agreed, Acra Lending, or its agents, shall contact, and arrange with borrower and all other necessary parties, each loan closing. Acra Lending, or its agents, shall promptly advise broker as each loan closes and will promptly advise Broker of any issues that may delay a loan closing. Acra Lending shall be responsible for customer service and support with respect to requests for such Eligible Loans after they are closed.

- c) Disclosure and Closing Statement: Acra Lending will provide any and all disclosures and Closing Statements (including but not limited to the Loan Estimate, Closing Disclosure, and others required by law or prudent lending practices) to prospective borrowers within time periods required.

Section 6. Compensation

Acra Lending will convey to the settlement agent, after its review and approval, Broker's instructions to remit to Broker at closing all qualified expenses and compensation for services provided to borrowers and / or Acra Lending.

Section 7. Privacy of Nonpublic Personal Information

All capitalized terms used in this Section 7 and not otherwise defined shall have the meaning set forth in the federal "Privacy of Consumer Financial Information" regulation, as amended from time to time (the "Privacy Regulation"), issued pursuant to Section 504 of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.). Both parties acknowledge that the Privacy Regulation governs disclosures of nonpublic personal information about consumers.

- a) Nonpublic Personal Information Security: Both parties hereby represent and warrant as follows with respect to any nonpublic personal information released to it by the other party: (i) the receiving party controls access to the network on which any such nonpublic personal information is stored, through the compliance with and utilization of its information security measures which restrict access; and (ii) the receiving party shall comply with its respective information security measures.
- b) Use of Nonpublic Personal Information: Both parties hereby agree that they shall: (i) comply with the terms and provisions of the Privacy Regulation, including, without limitation, the provisions regarding the sharing of nonpublic personal information; (ii) not disclose or use any nonpublic personal information that it obtains from the other party except to carry out the purpose for which such nonpublic personal information was provided, or as otherwise permitted by the Privacy Regulation and other applicable laws; (iii) comply with its respective information security standards; (iv) not make any changes to its security measures that would increase the risk of an unauthorized access.
- c) Return of Nonpublic Personal Information; Remedy: At any time, upon the other party's request, either party shall return all nonpublic personal information provided by the other party in such party's possession except to the extent retention is legally required. Both parties agree that money damages would not be a sufficient remedy for any breach of this Section 7 and that the non-breaching party shall be entitled to seek injunctive or other equitable relief to remedy or prevent any breach or threatening breach of this Section 7. Such remedy shall not be the exclusive remedy for any breach of this Section 7 but shall be in addition to all other rights and remedies available at law or in equity.

Section 8. Representations, Warranties, and Covenants of Broker

As an inducement to Acra Lending to enter into this Agreement and to perform its duties hereunder, Broker represents, warrants, and covenants to Acra Lending, as of the date of this Agreement and as of the date each Eligible Loan Application is submitted to Acra Lending, as follows:

- a) Due Organization; Good Standing: Broker is duly organized, validly existing and in good standing (in the case of a corporation or limited liability company) under the laws of the state governing

its creation and existence, and broker is qualified and in good standing in the states where the mortgaged properties in each Eligible Loan Application are located, if the laws of such states require licensing or qualification in order to conduct business of the type conducted by Broker.

- b) Authority and Capacity: Broker has full power, authority and capacity to enter into this Agreement, and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action. This Agreement constitutes a valid and legally binding Agreement of Broker enforceable in accordance with its terms.
- c) No Conflicts: The execution, delivery and performance of this Agreement by Broker, its compliance with the terms hereof and consummation of the transactions contemplated hereby, will not violate, conflict with, result in a breach of, give rise to any right of termination, cancellation or acceleration under, constitute a default under, be prohibited by or require any additional approval under its articles of incorporation (in the case of a corporation), bylaws, partnership agreement or other applicable organizational documents or any instrument or agreement to which it is a party or by which it is bound, or any applicable federal, state, county, local, or foreign law, or any judicial or administrative decree, order, ruling or regulation, applicable to it.
- d) Compliance with Laws: Broker has complied, and shall comply, both in the conduct of its business generally, and in its origination of each Eligible Loan Application, with all applicable laws, including, without limitation, the Equal Credit Opportunity Act and Regulation B, including without limitation its requirements relating to nondiscrimination; the Truth in Lending Act and Regulation Z; the Real Estate Settlement Procedures Act, and Regulation X; Gramm-Leach-Bliley Act and the Privacy Regulation; and state laws and regulations governing mortgage lending and mortgage brokerage.

Broker represents and warrants that it and each member of its staff is properly licensed in all jurisdictions where required for the origination of loans as provided for in this Agreement and agrees to maintain all applicable licenses and approvals in good standing during the term of this Agreement. Broker shall maintain, available for Acra Lending's inspection, evidence of compliance with all such requirements.

- e) Notice of Threatening Actions: Broker has not been issued any Administrative order, cease and desist decree or been the subject of any regulatory action nor is there any reasonable basis therefore. Broker shall immediately advise Acra Lending in writing of any inquiry or pending or threatening action, by way of a proceeding or otherwise, to revoke or limit any license, permit, authorization or approval issued or granted by any federal, state or local government or quasigovernmental body, or any agency or instrumentality thereof, necessary for Broker or any staff member to conduct its business, or to impose any penalty or other disciplinary sanction in connection therewith, or any other sanction that would materially affect Broker's business. In addition, in the event Broker receives any letter, notice, or other writing from any regulatory agency with respect to any Eligible Loan Application registered with Acra Lending, Broker shall advise Acra Lending immediately of such notice and deliver a copy of the notice to Acra Lending.
- f) SAFE Act: Broker attest to the fact they are in full compliance with the SAFE Act, including but not limited to, appropriate licensing and / or registration of individuals acting as Mortgage Loan Originators ("MLOs"), further Acra Lending contains a copy of Broker internal SAFE Act plan.

- g) Litigation: Except as previously disclosed in writing to and acknowledged in writing by Acra Lending, neither broker nor any of its staff members are party to (i) any litigation as a defendant involving fraud, misrepresentations, violation of any state or federal lending laws or regulatory compliance, or (ii) any negative investor or regulatory findings through audits, examinations or mortgage guaranty insurance investigations.
- h) No Untrue or Misleading Statements: No representation, warranty, or written statement made by Broker to Acra Lending in this Agreement or in any Eligible Loan Application, schedule, exhibit, written statement, or document furnished to Acra Lending in connection with the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.
- i) Business Information: Broker shall furnish Acra Lending and its representatives with any necessary information and data concerning the affairs of Broker, as Acra Lending may reasonably request, including without limitation information regarding the status of its licenses, permits, authorizations, and approvals necessary for the conduct of its business as well as copies of such documents.
- j) Financial Statements: Broker shall furnish to Acra Lending copies of statements of Broker's financial condition at Acra Lending's request. Statements of financial condition shall be audited statements if such are obtained in the normal course of business. Broker hereby represents and warrants to Acra Lending that such statements fairly present the pertinent results of operations and changes in financial position for each of such periods, and the financial position at the end of each such period of the Broker and its subsidiaries.
- k) Credit Reports: Broker agrees that Acra Lending may obtain business credit reports concerning Broker and, unless Broker is a publicly traded company, personal credit reports concerning those with a material interest in Broker ("Material Parties") as determined solely by Acra Lending, if Acra Lending in its sole discretion so elects. Broker represents and warrants that it has obtained its Material Parties' consents for Acra Lending to obtain those personal credit reports for this purpose. Without notice to Broker or Material Parties, Acra Lending may periodically obtain both business credit reports concerning Broker and personal credit reports concerning Material Parties. Broker will notify Acra Lending immediately of any change to its Material Parties or any change in control of Broker.
- l) Ability to Perform: Broker represents that it employs or will employ a sufficient number of knowledgeable, capable, and trained individuals to perform the services required by this Agreement.

Section 9. Representations, Warranties, and Covenants as to Loan Applications

As further inducement to Acra Lending to enter into this Agreement and to perform its obligations here under, Broker represents warrants and covenants to Acra Lending as to each Eligible Loan Application submitted to Acra Lending as follows:

- a) Compliance with Laws: As of the date each Eligible Loan Application is funded by Acra Lending, all of Broker's activities in connection with the Eligible Loan Application will comply with all applicable federal, state, county, local, and foreign laws.
- b) Compliance with Acra Lending Policies and Guide: The activities of Broker with respect to each Eligible Loan Application will comply in all respects with the Guide. Each registered Eligible Loan Application was originated by Broker and not by a third party. All Mortgage File documents and

all Loan Applications, and information and documentation submitted by Broker in connection with such applications, have been prepared and / or completed in accordance with the Guide and all information provided by each of borrower and Broker in such Mortgage File documents, Loan Applications, or other documents and / or provided to any mortgage insurer is true and correct in all respects and does not fail to disclose any facts which could be material or which would make such information misleading.

- c) Factual Disclosure: With regard to all Loan Applications submitted to Acra Lending hereunder, all facts relating to any Eligible Loan Application transaction which are known or should be known to Broker in the exercise of its prudent judgment which may adversely affect the value of the Mortgaged Property, the credit, character or capacity of the borrower, the validity of the Mortgage, or any other aspect of the transaction have been disclosed in writing to Acra Lending. The Mortgaged Property has not been damaged by fire, flood, or other causes since the date of performance of the appraisal.
- d) Occupancy: The occupancy of the Mortgaged Property is as represented to Acra Lending by the Mortgagor and / or Broker, and the Broker has no reason to believe that such representation of the Mortgagor and / or Broker is no longer true except as may be set forth on the Broker Loan Lock-in Reservation.
- e) Mortgage Insurance Payments: No Eligible Loan Application has a mortgage insurance policy that requires the Broker or any other party except mortgagor to pay premiums on such policy.
- f) Appraisal: The appraisal report and the appraiser both satisfy the requirements of Fannie Mae and any applicable requirement of Title XI of the Federal Institutions Reform, Recovery, and Enforcement Act of 1989 and the regulations promulgated there under, all in effect on the date the Eligible Loan Application is submitted to Acra Lending. The appraisal report with respect to the Mortgaged Property was signed prior to the approval of the Eligible Loan Application by a qualified appraiser, duly appointed by the loan originator, who had no interest, direct or indirect, in the Mortgaged Property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of such application.
- g) Serviceman's Civil Relief Act: The Mortgagor has not notified the Broker and the Broker has no knowledge of any relief requested or allowed to the Mortgagor under the Serviceman's Civil Relief Act, as amended.
- h) Predatory Lending: Such Eligible Loan Application is not classified as (a) a "high cost" loan under the Home Ownership and Equity Protection Act of 1994, as amended, or (b) a "high cost", "threshold", or "predatory" loan under any other applicable state, federal, or local law, (c) a "flipped" loan or loan that does not provide the borrower with a "net tangible benefit" as maybe defined under any applicable state, federal, or local law.
- i) Broker Compensation. Unless disclosed to Acra Lending in writing before the funding of any mortgage loan, Broker shall not receive any direct or indirect payment from any person other than the applicant with respect to the mortgage loan, including, without limitation, a payment involving escrow, appraisal or sale, and, unless fully disclosed to Acra Lending, Broker (and Broker's agents, employees, officers, and directors) shall have no direct or indirect ownership in any property intended as security for the mortgage loan being reviewed by Acra Lending for purposes of purchase.

Section 10. Responsibility for Fraud or Negligence

Broker shall not submit any Eligible Loan Application or other Mortgage File document containing false or misrepresented information or failing to disclose material facts necessary to make the statements contained therein not misleading. Broker shall be responsible for all actions taken in the course of its performance of its obligations under this Agreement, whether performed by Broker, its employees or licensees. Broker acknowledges its understanding that Acra Lending disclaims any duty to investigate, verify, authenticate, or confirm any information contained in any Eligible Loan Application or Mortgage File document. The parties have agreed to the allocation of duties and responsibilities set forth herein and Acra Lending shall at all times be entitled to rely on Broker's full, complete and faithful performance of its duties and responsibilities hereunder.

Section 11. Purchase and Loss Reimbursement

- a) Events of Purchase / Repurchase: Broker shall in the case of Eligible Loans closed in Acra Lending's name, purchase or repurchase any Eligible Loan subject to the contract, if a material breach by Broker, that adversely affects the value of such Eligible Loan, or of any covenant, condition, term, obligation, representation, or warranty related to such Eligible Loan contained in this Agreement or the Guide, or in such Eligible Loan Application, any Mortgage File document or in any written statement or certificate furnished by Broker pursuant to this Agreement or the Guide, including, without limitation, those arising from Broker's fraud or negligence in the origination or processing of such Eligible Loan Application.
- b) Purchase / Repurchase: Acra Lending shall send notice to Broker of any demand for purchase or repurchase within ninety (90) days of the discovery of any event causing such demand for purchase or repurchase. Broker shall have thirty (30) days from date of receipt of such notice from Acra Lending to cure any material breach in all respects (in the sole judgment of Acra Lending). If such breach is not cured in Acra Lending's sole judgment, the purchase shall be affected within ten (10) business days of receipt of written demand by Acra Lending. The purchase or repurchase price shall be equal to the outstanding principal balance owing on the date of purchase; plus all fees paid; any compensation paid by Acra Lending to Broker; plus any advances made by Acra Lending for taxes, insurance, foreclosure expense, or any other related expense; plus interest that has accrued but not been paid up to and including the date the purchase or repurchase funds are received by Acra Lending. At the time of purchase or repurchase, Acra Lending will arrange for the reassignment of the purchased or repurchased Eligible Loan to Broker.
- c) Loss and Expense Reimbursement: Notwithstanding the foregoing, and in lieu of requiring repurchase, Acra Lending may, at its sole discretion, permit broker to reimburse Acra Lending for any loss and / or expenses incurred by Acra Lending as a consequence of the occurrence of an event requiring repurchase. The determination by Acra Lending of the nature and amount of such losses and / or expenses shall be final, conclusive, and binding. Broker shall remit to Acra Lending the funds necessary to satisfy its obligations hereunder within ten (10) business days from demand of such funds by Acra Lending.

Section 12. Indemnification

- a) Non- Waiver of Remedies: Nothing contained in this Section 12 shall limit Acra Lending's rights to any remedy, legal or equitable, all such legal and equitable remedies, including those provided for herein, being in addition to and not in lieu of any other remedy.
- b) Broker Indemnification: Broker shall indemnify, defend and hold Acra Lending and its officers, directors, employees, agents, affiliates and subsidiaries harmless against and in respect of, and shall

reimburse Acra Lending for any and all losses, liabilities, claims, damages, costs including without limitation attorneys' fees and costs, and actions suffered or incurred by Acra Lending which arise out of, result from or relate to: (a) material breach by Broker of any covenant, condition, term, obligation, representation or warranty contained (i) in this Agreement or the Guide, or (ii) in any Eligible Loan Application, Mortgage File document or in any written statement or certificate furnished by Broker pursuant to this Agreement or the Guide, including, without limitation, those arising from Broker's fraud or negligence in the origination or processing of Loan Applications; or (b) any material act or omission of Broker or any employee or agent of Broker which adversely affects any Eligible Loan Application registered with and funded by Acra Lending hereunder. In all actions with third parties in which Acra Lending has the right to be indemnified hereunder, Acra Lending shall have the complete and exclusive right to determine the conduct and defense of such legal proceeding or investigation with such third party including, without limitation, the right to compromise, settle, defend, or continue any such action.

Section 13. Premium Rebate

- a) **Full Repayment:** If a premium is paid by Acra Lending to Broker for an Eligible Loan, and such Eligible Loan is prepaid in full within one hundred and twenty (120) days after the closing date other than by a refinancing by Acra Lending, or any of its subsidiaries or affiliates, or a financing by Broker which is funded by Acra Lending, Broker shall, upon demand by Acra Lending, refund such premium to Acra Lending. Such payments shall be due to Acra Lending within thirty (30) days of notice.
- b) **Partial Repayment:** If a premium is paid by Acra Lending to Broker for an Eligible Loan, and such Eligible Loan is prepaid in any amount which, in the aggregate, exceeds twenty percent (20%) of the original principal balance of the loan, within ninety (90) days after the closing date, Broker shall, upon demand by Acra Lending, refund to Acra Lending a pro-rated portion of the premium paid by Acra Lending to the Broker for such Eligible Loan. The payment shall be calculated by dividing the aggregate prepayment amount by the original principal balance of the loan and multiplying the result by the original premium amount. Such payments shall be due to Acra Lending within thirty (30) days of notice.

Section 14. Right of Setoff

Acra Lending and its successors and assigns shall be entitled to set off against any amount to be paid by it to the Broker under this Agreement for such amounts as may be due from the Broker under this Agreement. Acra Lending shall provide written notice to Broker, ten (10) days prior to any setoff action.

Section 15. Term; Termination

- a) **Term:** The term of this Agreement shall commence as of the date hereof and shall extend until the termination of this Agreement pursuant to this Section 15.
- b) **Termination Without Cause:** This Agreement may be terminated without cause by Acra Lending or Broker upon thirty (30) days written notice to the other party. Such termination shall not in any respect change or modify the obligations of the parties with respect to (i) loan applications which have been registered with Acra Lending pursuant to Section 4 prior to the date of termination or (ii) either party's obligations under this Agreement accruing prior to the date of termination.
- c) **Termination for Cause:** Notwithstanding anything to the contrary here in, Acra Lending may terminate this Agreement immediately, upon written notice to Broker, (i) if Acra Lending determines or reasonably suspects that fraud has occurred in the origination of any Eligible Loan Application, (ii) if Broker

fails to perform any of its obligations under this Agreement, or (iii) if any federal, state, county, local, and foreign law makes it unlawful for Acra Lending and Broker to do business in accordance with the terms of this Agreement. If the Agreement is terminated by Acra Lending under this paragraph, Acra Lending shall have no obligation to Broker after the date notice is given to fund any Eligible Loan Application, irrespective of whether such Eligible Loan Application has been registered with Acra Lending.

- d) Survival: All of Broker' representations and warranties, and obligations of indemnification in Section 12, shall survive any termination of this Agreement, and shall be fully applicable whether or not Acra Lending relies thereon or has knowledge of any facts at variance therewith.

Section 16. No Solicitation

Subject to the provisions set forth in this Section 16, from and after the date hereof, neither Broker, nor any of its subsidiaries or affiliates, shall solicit, by means of direct mail, telephonic, email, or personal solicitation the Mortgagors of any Eligible Loan for purposes of prepayment of such Eligible Loan; provided, however, Broker may solicit Mortgagors of any Eligible Loan for a refinance transaction if (a) six (6) months has lapsed since the date of the Eligible Loan's initial closing with Acra Lending and (b) such transaction results in a reduction in the Eligible Loan's Mortgage Note rate of at least 0.500%.

Section 17. Miscellaneous

- a) Broker Grant of Limited Power of Attorney: Broker hereby appoints Acra Lending and the directors, officers, employees, agents, successors and assigns of Acra Lending as its true and lawful attorney-in-fact without right of revocation and with full power of substitution for and in its place and stead to (i) demand and control all sums due on Eligible Loans closed and funded pursuant to this Agreement and to enforce all rights with respect thereto, (ii) endorse, mark, place, or otherwise evidence Broker's name as payee on all checks, drafts, acceptances, or other form of partial or full Eligible Loan payment delivered or tendered to Acra Lending, (iii) endorse, mark, place or otherwise evidence Broker's name on all notes, mortgages, deed of trust, and other forms of security instruments of collateral and all assignments, full of partial releases or satisfactions of said mortgages, deeds of trust, and other forms of security instruments or collateral for all Eligible Loans closed and funded pursuant to this Agreement. Broker agrees to execute such other documents as Acra Lending may reasonably request to evidence the appointment of Acra Lending as Broker's attorney-in-fact.
- b) Successors and Assigns: This Agreement shall be binding and inure to the benefit of and be binding upon the parties hereto and their successors and assigns. This Agreement is not assignable by the broker without the prior written consent of Acra Lending, which consent may be withheld by Acra Lending at its sole discretion. A change in ownership, merger, or consolidation of Broker shall be considered an assignment for purpose of this Agreement.
- c) Notices: All demands, notices, and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid, or by a nationally recognized overnight courier service, to the following:

Attention: _____

Or such other address as may hereafter be furnished to Acra Lending in writing by Broker, and if to Acra Lending:

Acra Lending 25531
Commercentre Dr., Ste. 160 Lake
Forest, CA 92630
Attention: Kyle Gunderlock, Chief Operating Officer

Or such other address as may hereafter be furnished to Broker by Acra Lending in writing.

- d) Books and Records: Broker shall prepare and maintain Mortgage File documents in accordance with applicable guidelines established in the Guide and applicable agency guidelines. Broker and Acra Lending shall keep and maintain a complete and accurate account, satisfactory to Acra Lending, of all funds collected and paid relating to the Loan Applications. Broker shall give Acra Lending, its employees, and its representatives, including without limitation internal and external auditors, quality control auditors, attorneys, bank examiners and regulatory agency examiners, access, upon reasonable advance notice and during normal business hours, to audit and inspect Broker's files, books, records, reports, statistics, and other documents of Broker relating to its obligations under this Agreement and the Broker Guide. In addition, Broker will cooperate with Acra Lending, its auditors and / or regulatory examiners in any audit of Acra Lending and in any regulatory examination of Acra Lending.
- e) Relationship of Parties: Neither party is the partner, agent, employee or representative of the other nor shall nothing in this Agreement be construed or deemed to create a partnership, joint venture, agency or employment relationship between Acra Lending and Broker. Broker shall conduct business in its own name and not in Acra Lending's name. Broker shall not represent that its office is an office, branch or agency of Acra Lending or in any other way connected with Acra Lending. Broker shall have no authority to sign any documents on behalf of Acra Lending, or to bind or obligate Acra Lending in any manner whatsoever. Broker shall be responsible for its overhead and operations costs, payroll costs and all other costs incurred in connection with its operations. Broker acknowledges that it has incurred and will continue to incur such costs voluntarily, with the understanding that this Agreement may be terminated in accordance with Section 15 hereof and accordingly. Broker has no right to seek reimbursement or recoupment from or against Acra Lending with respect to any sums it has expended in contemplation hereof.
- f) Confidentiality: Both parties understand that all information provided to the other party in connection with this Agreement, including but not limited to, with respect to Acra Lending, all information contained in the Guide, is confidential and proprietary to the providing party. Both parties agree to keep in confidence and not disclose to any third party, duplicate or use for the benefit of any third party, any such information given to or discovered by such party by or from the other, and agree to return all documents and other media containing such information to the other party upon termination of this Agreement. Broker further agrees not to sell, transfer or otherwise give to any person or firm, or otherwise use, directly or indirectly, any compilation or list of borrowers. The following information shall not be considered confidential and propriety: (a) information that is already known to recipient at times of its disclosure; (b) information that is or becomes publicly known through no wrongful act of recipient; (c) information that is received from a third party free to disclose it to recipient; (d) information that is communicated to a third party with express written consent of the providing party; or (e) information that is lawfully required to be disclosed to any governmental agency or is otherwise required to be disclosed by law, provided that before making such disclosure, the recipient shall promptly notify the providing party of such disclosure order and, upon request of the providing party, fully cooperate in contesting such disclosure. Recipient shall seek confidential treatment of such confidential and proprietary information from the entity requiring disclosure. (The term "affiliate" means any person or entity controlling, controlled by, or under common control with a party.)

- g) Entire Agreement: This Agreement, the Guide, and any other agreement, document or instrument attached hereto or referred to herein or in the Guide, contain the entire Agreement between the parties and supersedes all prior agreements and understandings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement, the Guide, and any such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.
- h) Amendment and Waiver: Except as provided in Section 1 concerning the Guide, this Agreement may be amended from time to time by Broker and Acra Lending solely by written agreement signed by Broker and Acra Lending. The waiver of any right or remedy in respect of any one occasion shall not be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.
- i) Modification of Obligations: Acra Lending may, without any notice to Broker, Extend, compromise, renew, release, modify, adjust or alter, by operation of law or otherwise, any of the obligations of a borrower or other persons obligated under an Eligible Loan without releasing or otherwise affecting the obligations of Broker with respect to such Eligible Loan or otherwise under this Agreement.
- j) Severability and Survival of Provisions: If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other covenants, agreements, provisions, or terms of this Agreement or the rights of Acra Lending hereunder. If the invalidity of any part, provision, representation, or warranty of this Agreement shall deprive any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate in good faith to develop and structure the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity. 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.
- k) Governing Law: This Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of California.
- l) Consent to Jurisdiction: The parties agree that all legal actions and proceedings arising out of or related to this Agreement, or the transactions contemplated hereby, shall be brought in a Federal Court or State Court located in the State of California with exclusive venue in the County of Orange, and the parties hereby waive any objections to summons, service of process, jurisdiction over the person or subject matter, or the venue of the courts listed above.
- m) Headings: The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.
- n) Attorney's Fees: In the event of a dispute arising from or concerning an obligation of Broker or Acra Lending under this Agreement which results in litigation of the issue, the prevailing party to such litigation shall be indemnified by the other party for all costs and expenses in bringing or defending such action.

- o) Authorized Representatives: Acra Lending shall be entitled to rely, without investigation, that any person holding themselves out to be a representative of Broker for purposes of signing this Agreement or other document delivered in connection with this Agreement or taking other action pursuant to the Agreement including but not limited to oral discussions was, at the respective times of such signing or actions, a duly elected or appointed, qualified and authorized representative of Broker, and the execution or delivery of the Agreement or any document pursuant to the Agreement and the taking of any other actions, including but not limited to oral discussions, shall be conclusive evidence of such authorization.
- p) Counterparts: This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, Broker and Acra Lending have caused their names to be signed hereto by their respective officers hereunto duly authorized as of the day and year first above written.

Broker Company Name	Acra Lending
Authorized Signature	Authorized Signature
Printed Name of Authorized Signor	Printed Name of Authorized Signor
Title of Authorized Signor	Title of Authorized Signor



Loan Fraud Zero Tolerance

All Loan Brokers must be aware that the licensed Mortgage Loan Officer (“MLO”) under the Nationwide Mortgage Licensing System & Registry or the licensed Real Estate Broker bears the responsibility for all actions of his or her Employees or Licensees. The Broker is responsible for the content and quality of each application taken and each loan submitted to Acra Lending (“Acra Lending”). **Submission of a loan application containing false information is a crime punishable by law.**

Types of Loan Fraud

- 1) Submission of inaccurate information including false statements on loan applications and falsification / forgery of documents purporting to substantiate credit, employment, deposit or asset information, personal information, including identity, ownership / non-ownership of real property.
- 2) Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated on the Security Instrument.
- 3) Lack of due diligence by Broker / Loan Officer / Interviewer / Processor, including failure to obtain all information required by the application and failure to request information as dictated by the Borrower’s responses to other questions.
- 4) Unquestioned acceptance of information or documentation that is known or should have been known or should be suspected to be inaccurate.
- 5) Allowing an applicant or interested third party to assist with the processing of the loan.
- 6) Broker’s non-disclosure of relevant information.

Consequences

The effects of Loan Fraud are costly to all parties involved. Acra Lending stands behind the quality of its loan production. Fraudulent loans cannot be sold to investors in the Secondary Market and if sold, will require repurchase. Fraudulent loans damage Acra Lending’s reputation with those investors. The price paid by those who participate in Loan Fraud is even more costly. The following is a list of some of the potential consequences that may be incurred.

Consequences to the Broker

- 1) Criminal prosecution;
- 2) Loss of licenses;
- 3) Civil Action by Acra Lending or other parties to the transaction; and
- 4) Immediate loss of approval to business status with Acra Lending.

I have read the foregoing and fully understand Acra Lending’s position on Loan Fraud. Neither this Broker nor any party acting this Broker’s behalf will knowingly and / or willfully engage in the practice of Loan Fraud that results in the origination and subsequent submission of a fraudulent loan to Acra Lending.

Signature of Broker	Date	Signature of Principal Officer	Date
Printed Name and Title		Printed Name and Title	



Loan Originator Compensation and Anti-Steering Attestation Agreement

Effective as of April 01, 2011, the Federal Reserve Board implemented a change to Regulation Z compensation and anti-steering changes under the Truth in Lending Act (TILA).

The new Federal Reserve rules affect all mortgage loan originators without exception. In compliance with loan originator compensation rules under the Federal Truth in Lending Act (TILA) as well as Regulation Z and amendments, you hereby attest and affirm the following with no reservations to Acra Lending. That for any and all loan transactions you deliver to Acra Lending the following is true:

- 1) Neither the seller nor any other party has paid compensation based on the interest rate or other prohibited terms and conditions under the aforementioned regulations.
- 2) For the purpose of increased originator compensation, no consumer has been steered into a product or program by a loan originator.

Loan Origination Company

Name

Signature

Date



Roster of Mortgage Loan Originators and Loan Processors

Please list all loan officers (“LO”) and loan processors (“LP”) originating and processing loans on behalf of your company. Please indicate if the person is an LO or LP, or performs both duties in the corresponding column.

	Name (If LO, name must correspond to NMLS records)	City and State	NMLS ID No.	Email Address (Used for Login)	Phone Number	MLO, LP, or Both	State(s) Licensed
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							

Please Note: You may provide your own list of loan officers and loan processors in a spreadsheet format.
 Intended for information only and not intended or authorized for consumer or public distribution.