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. **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
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 & Title of Broker	Printed Name & Title of Principal Officer