



# BUSINESS PURPOSE BROKER APPROVAL

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

- Company Profile
- Broker Agreement and Form W-9
- Loan Fraud Zero Tolerance Disclosure
- Loan Originator Compensation
- 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](http://acralending.com)



**Business Purpose Broker - 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. Citadel Servicing Corporation dba 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: \_\_\_\_\_



## BUSINESS PURPOSE LOAN BROKER AGREEMENT

This Business Purpose Loan Broker Agreement (this "Agreement") is entered into as of this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ by and between \_\_\_\_\_ a \_\_\_\_\_ organized under the laws of \_\_\_\_\_ (the "Broker") with its principal place of business at \_\_\_\_\_ and Citadel Servicing Corporation, a California corporation, d/b/a Acra Lending and its affiliates and subsidiaries (the "Lender") with its principal place of business at 25531 Commercentre Drive, Suite 160, Lake Forest, California 92630.

WHEREAS, the Lender desires, among other things, to fund from time to time first-lien Business Purpose Loans (as defined herein) secured by Mortgaged Properties (as defined herein);

WHEREAS, Broker is in the business of sourcing, originating, and processing applications for Business Purpose Loans; and

WHEREAS, the Lender shall fund certain Business Purpose Loans with applications sourced, originated, and processed by Broker on the terms and conditions set forth below.

WHEREAS, by entering into this Agreement, the Broker and the Lender intend for this Agreement to replace in its entirety any prior agreement entered into by and between the Broker and the Lender relating to the brokering of Business Purpose Loans by the Broker to the Lender.

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lender and the Broker agree as follows:

### ARTICLE I DEFINITIONS

Section 1.01 Defined Terms. For purposes of this Agreement, the following capitalized terms shall have the respective meanings set forth below.

"Application Package" means the Borrower information submission form as set forth from time to time by the Lender, including all additional forms, documents, and other information required by the Lender from time to time for the Lender to use to determine whether to close and fund a Loan.

"Borrower" shall mean an applicant on an Application Package or an obligor on the related Mortgage Note, as applicable.

"Borrower-Related Party" means, if a Borrower is an individual, any member of the immediate family of such Borrower and any guarantor of the related Mortgage Note and any member of the immediate family of such guarantor; and if Borrower is an entity, any officer, partner, member or employee of such entity and any member of the immediate family of any of the foregoing and any guarantor of the related Mortgage Note and any member of the immediate family of such guarantor.

"Business Day" means any day other than a Saturday, Sunday or a day on which banking or savings institutions in California are authorized or obligated by law or executive order to be closed for business with the general public.

"Business Purpose" means, with respect to a mortgage loan, including each Loan hereunder, that such mortgage loan (a) was or will be obtained by a Borrower for business or commercial purposes and not for personal, family or household purposes, (b) is not subject to the provisions of either the Truth in Lending Act or its implementing Regulation Z, or the Real Estate Settlement Procedures Act or its implementing Regulation X, and (c) is secured by a

Mortgaged Property improved by a Residential Dwelling that is not occupied by either a Borrower or a Borrower-Related Party.

“Mortgage Interest Rate” means the annual rate of interest borne on a Mortgage Note from time to time in accordance with the provisions of the Mortgage Note.

“Loan” means a mortgage loan that is a first-lien Business Purpose mortgage transaction secured by a Mortgaged Property, the Application Package of which is assigned and transferred to the Lender under this Agreement.

“Mortgage Note” means the original executed promissory note or other evidence of the indebtedness of a Borrower secured by a Mortgage.

“Mortgaged Property” means with respect to a Loan, the underlying real property that secures or will secure repayment of a Mortgage Note, consisting of a fee simple parcel of real estate or leasehold improved by a Residential Dwelling.

“Program Guidelines” means the Lender’s program guidelines, underwriting guidelines, requirements and product profiles, as set forth or revised by the Lender from time to time, relating to the sourcing, originating, and processing of Loans and the Applications therefor.

“Residential Dwelling” means an improvement situated on a Mortgaged Property that is a residential dwelling and that (a) will be rehabilitated by the Borrower and sold by the Borrower promptly thereafter or used by Borrower as a rental property, and (b) will not be occupied at any time by the Borrower or a Borrower-Related Party.

## **ARTICLE II ORIGINATING, PROCESSING, UNDERWRITING AND FUNDING OF LOANS**

Section 2.01 Submitting Applications. Upon execution of this Agreement, the Broker may submit to the Lender one or more Application Packages for Loans to be processed, underwritten, closed, and funded by the Lender. All Loan Application Packages submitted to the Lender under the terms of this Agreement shall comply with the Program Guidelines for Business Purpose Loans. The Broker shall submit Application Packages to the Lender within one Business Day after collecting all of the information and documents required by the Program Guidelines in connection therewith.

Section 2.02 Program Guidelines. The Broker acknowledges and agrees that, from time to time, the Lender may supplement, change, amend, or modify the Program Guidelines. The Broker shall access the most recent version of the Program Guidelines from the Lender before submitting new Application Packages for Loans to the Lender. All Application Packages submitted by the Broker to the Lender under the terms of this Agreement must be submitted in accordance with the Program Guidelines then in effect, as provided by the Lender to the Broker.

Section 2.03 Acceptance of Applications. The Lender shall have the right to accept or reject any Application Package in its sole and absolute discretion. The Lender will have no obligation, responsibility or liability to the Broker if the Lender rejects an Application Package. If the Lender accepts an Application Package, the Broker shall be deemed to have assigned, transferred and conveyed to the Lender all of the Broker’s right, title and interest in and to the Application Package and any related materials and information. The Lender may, in the Lender’s sole and absolute discretion, perform such verifications and reverifications of appraised value, assets, and other such matters relating to an Application Package as the Lender may deem necessary and in accordance with applicable law. After acceptance of an Application Package, the Lender may, to the extent permitted by applicable law, later reject or otherwise refuse to continue to process the Application Package in its sole and absolute discretion. For the avoidance of doubt, the Lender’s acceptance of an Application Package does not create a commitment or obligation by the Lender to close or fund a Loan. The Lender will have no obligation or liability to the Broker for any Loan that is not closed by the Lender or for any delays in the processing or closing of any Application Package.

Section 2.04 Submission of Information. The Broker shall present to the Lender, for its underwriting review, property, credit, financial, and related information as to the Borrower and Mortgaged Property as set forth in the Program Guidelines or as requested from time to time by the Lender. The Broker shall ensure that all information

submitted to the Lender for processing, underwriting, and review is complete, true, and accurate. Application Packages shall be underwritten by the Lender in accordance with the Lender's program specifications, current underwriting policies, and applicable law.

Section 2.05 Commitment and Rate Lock. The delivery date as stated in any commitment or rate lock issued by the Lender may only be extended by the Lender issuing a written amendment to such commitment or rate lock. The delivery of a commitment or rate lock that has been issued and communicated by the Lender to the Broker is mandatory, and if the Broker does not deliver or fails to timely deliver such commitment or rate lock to the Borrower, the Lender may require that the Broker pay and reimburse the Lender for any and all losses, expenses, and damages incurred by the Lender as a result of non-delivery or delayed delivery of such to the Borrower.

Section 2.06 Broker Fees.

(a) Borrower-Paid Fees. Broker may charge fees ("Broker Fees") to Borrowers for consultation and other Loan-related services ("Broker Services"). Broker Fees may only be imposed in accordance with applicable federal, state, and local laws and regulations. Broker must disclose all Broker Fees as required by applicable law before imposing or collecting such Broker Fees. All Broker Fees shall be collected after closing and disbursed from closing funds if authorized by the Borrower(s). Any dispute regarding a Broker Fee shall be resolved by the Broker and the Borrower(s) without involvement by the Lender. The Broker hereby agrees to indemnify and hold the Lender harmless from any third-party claims against the Lender in connection with the Broker Fees. The parties understand and acknowledge that the Broker Fees are subject solely to the contractual terms and conditions agreed upon between each Borrower and the Broker, and that the Broker Fees are not a condition or requirement by Lender in order to accept or to underwrite an Application Package

(b) Lender Paid Compensation. Lender shall pay compensation to Broker in the amounts and in the manner set forth in Exhibit A attached to this Agreement.

Section 2.07 Additional Services. Broker shall perform the following additional services only to the extent such services are (i) requested by Lender, and (ii) in accordance with applicable law:

- (a) pre-qualifying the prospective Borrowers to determine the maximum loan amount that the prospective Borrowers can afford;
- (b) advising the Borrower about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product;
- (c) collecting financial information and other related documents that are part of the application process;
- (d) initiating/ordering verifications of deposits (VODs) and other applicable verifications;
- (e) initiating/ordering requests for mortgage and other loan verifications;
- (f) providing disclosures to prospective Borrowers as required by applicable laws or by the Lender;
- (g) maintaining regular contact with Borrowers and the Lender between application and closing to apprise them of the status of the Application Package and to gather any additional information as needed;
- (h) analyzing the information provided by Borrowers and confirming that the Borrowers' Applications comply with Program Guidelines, the Lender requirements and applicable laws; and
- (i) providing such other processing and other services as may be required from time to time by the Lender.

Section 2.08 Communications with Borrowers. The Broker may advertise to the public the availability of various loan programs and the Broker services offered under this Agreement, but the Broker may not, in any way,

directly or indirectly, identify the Lender in any such advertising unless (a) required by applicable law, and (b) the Lender has, in advance, approved in writing the use of the Lender's name and the manner in which the Lender's name is used in such advertising, which approval shall not be unreasonably withheld. The Broker shall be responsible for ensuring its solicitation activities comply with all laws applicable to the Broker and such activities. The Broker shall promptly deliver to Borrowers any documents provided by the Lender to the Broker that are intended for delivery to Borrowers. The Broker may not represent that the Lender has approved or will approve any Application Package until the Lender informs the Broker that the Lender has done so. The Broker acknowledges that, subject to applicable law, the Lender may solicit and/or market any ancillary products or mortgage loan refinance products to Borrower(s) as it deems appropriate without the consent from or involvement of the Broker.

Section 2.09 Authorizations. By signing below, the Broker hereby authorizes the Lender to obtain and/or verify information, including, but not limited to, a credit, investigative, or other report or information relating to the credit worthiness, credit standing, credit capacity, criminal background, motor vehicle records, character, general reputation, personal characteristics, or mode of living for the Broker and all of the Broker's principals, executive officers and/or owners from any source regarding this Agreement. The Broker also authorizes the Lender to submit the name of the Broker and all officers, employees, directors and principals of the Broker for screening through any and all mortgage industry background databases. Broker hereby releases, discharges and exonerates any person or entity providing information to Lender in connection with this Agreement and any recipient of such information, including Lender or its representatives, from any and all liability of every nature and kind arising from or in connection with the furnishing, receipt, and review of such information.

### **ARTICLE III BROKER REPRESENTATIONS AND WARRANTIES**

The Broker represents, warrants, and agrees as of the date of this Agreement, as of each subsequent date that the Broker submits an Application Package to the Lender, and as of the closing date for the Loan related to each Application Package, as follows:

Section 3.01 Due Organization and Licensing. The Broker is duly organized and existing in good standing under the laws of the state of its formation. The Broker has all applicable and required licenses, registrations, and approvals required to do business and originate Application Packages in each state in which it is doing business. Copies of any such licenses, registrations, and approvals and certificates of good standing have been delivered to the Lender and updated from time to time, as applicable.

Section 3.02 Authority. The Broker has all requisite power, authority and capacity to enter into this Agreement and to perform all obligations required of it hereunder. The Broker's compliance with any of the terms and conditions contained in this Agreement will not violate any provisions of its documents of organization or any other agreement to which the Broker is a party.

Section 3.03 Compliance with Agreement. The Broker will perform and comply with all requirements in this Agreement.

Section 3.04 Ordinary Course of Business. The consummation of the transactions contemplated by this Agreement are in the ordinary course of the Broker's business, which is in the business of brokering mortgage loans.

Section 3.05 Sole Owner. The Broker is the sole owner and holder of each Application Package it submits to Lender, and the Broker has the authority to assign, transfer, and convey to the Lender each Application Package.

Section 3.06 No Prior Sale or Encumbrance. The Broker has not made any prior sale, pledge, assignment or hypothecation of any Application Package covered by this Agreement, or any portion thereof, to any other person or entity.

Section 3.07 Compliance with Law. The Broker will perform the Broker Services and the requirements of this Agreement in compliance with all applicable laws.

Section 3.08 Loan Made For Broker's Account. The Broker has brokered the Application Package for its own account, and the Broker is not acting as a broker, arranger, or conduit for any other broker, originator, or lender. The Broker is not, and will not, split or share any fees paid to the Broker by the Lender, except for fees that are included in the amount of the loan resulting from the Application Package and that are directly payable to third parties for services rendered in the making of such loan (such as appraisal fees, flood certification fees, etc.) and that are clearly and properly set forth on the settlement statement.

#### **ARTICLE IV APPLICATION PACKAGE REPRESENTATIONS AND WARRANTIES**

The Broker represents, warrants, and agrees as of the date of this Agreement, as of each subsequent date that the Broker submits an Application Package, and as of the closing date for the Loan related to each Application Package Broker submits, as follows:

Section 4.01 Application Package. Each Application Package submitted to the Lender complies with the terms and conditions of this Agreement, including, without limitation, the Program Guidelines. All documents or instruments submitted by the Broker to the Lender in connection with an Application Package are, in every material respect, valid and genuine, and all information (credit or otherwise) submitted in connection with such Application Packages is true and accurate. Each Borrower under such Loan that is not a natural person has submitted the applicable entity documentation in accordance with the Program Guidelines. The Borrower has stated to the Broker and stated in writing in the Application Package that neither the Borrower nor any Borrower-Related Party will occupy any part of the Mortgaged Property. If a Borrower or Borrower-Related Party intends to occupy any part of the Mortgaged Property, the Broker has not directed or encouraged the Borrower to falsely state that the Borrower or Borrower-Related Party will not occupy the Mortgaged Property. The Broker has required each Borrower to promptly update any information in the Application Package that becomes inaccurate, and the Broker has promptly provided such information to the Lender. The Broker has complied with all applicable laws relating to and arising from each Application Package and the related Broker Services, including, but not limited to, any Borrower identification requirements for purposes of compliance with all applicable anti-money laundering laws.

Section 4.02 No Fraud. No fraud with respect to such Loan has taken place on the part of the Broker or by any Borrower.

#### **ARTICLE V LENDER REPRESENTATIONS AND WARRANTIES**

The Lender represents, warrants, and agrees as of the date of this Agreement and as of the closing date for the Loan related to each Application Package the Broker submits, as follows:

Section 5.01 Due Organization and Licensing. The Lender is duly organized and existing in good standing under the laws of the state of its formation. The Lender has all applicable and required licenses and registrations required to do business and originate the Loans in each state in which it is doing business and originating Loans, as applicable.

Section 5.02 Authority. The Lender has all requisite power, authority, and capacity to enter into this Agreement and to perform all obligations required of it hereunder. The Lender's compliance with any of the terms and conditions contained in this Agreement will not violate any provisions of its documents of organization or any other agreement to which the Lender is a party.

#### **ARTICLE VI INDEMNIFICATION**

Section 6.01 Indemnification. The Broker agrees to indemnify and hold the Lender and its affiliates and their respective directors, officers, employees, agents, and representatives (collectively referred to in this Article VI as "Lender") harmless from, and upon demand will reimburse Lender for, any losses, damages, deficiencies, claims, costs, charges, or expenses (including reasonable attorney's fees) incurred by or assessed against Lender arising out of or



resulting from: (a) any fraud, material misrepresentation, or untrue statement by the Broker or Borrower, and/or (b) any breach of any representation, warranty, covenant, or agreement in this Agreement.

Section 6.02 Limitation on Punitive, Special, and Related Damages. EACH OF THE PARTIES TO THE FULLEST EXTENT PERMITTED BY LAW IRREVOCABLY WAIVES ANY RIGHTS THAT THEY MAY HAVE TO PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT (INCLUDING, WITHOUT LIMITATION, LOST PROFITS), EXEMPLARY, AND CONSEQUENTIAL DAMAGES IN RESPECT OF ANY CLAIM BASED UPON, ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER AGREEMENT, INSTRUMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS OR ACTIONS OF ANY OF THEM RELATING TO ANY SUCH CLAIM.

## **ARTICLE VII COVENANTS AND TERMINATION**

Section 7.01 Future Efforts. From time to time prior to and after the origination and funding of Loans, the Broker will furnish to the Lender such information as the Broker may possess and as the Lender may reasonably request and will execute and deliver such other instruments as the Lender may reasonably request.

Section 7.02 Audits. Upon receipt of ten (10) Business Days' advance notice, the Broker shall permit any officer, employee, or designated representative of the Lender, at any reasonable time during regular business hours, to examine and make audits of any of the processes implemented and documents kept by the Broker regarding the Broker Services and any Application Package submitted to the Lender by the Broker under this Agreement. The Broker will make its officers, employees, or designated representatives reasonably available to the Lender and shall reasonably cooperate with the Lender in all such examinations, audits, and document and record collection activities.

Section 7.03 Notification of Inquiries. The Broker will promptly notify the Lender after the receipt by the Broker of any written complaints or written inquiries which relate to the Broker's activities in connection with the sourcing or originating of Application Packages (a) from or to any regulatory authority, (b) addressed to the Broker or an individual identified as a member of the Broker's sales force, or (c) regarding the express allegation of misconduct or negligence of a member of the Broker's sales force or any other officer or employee of the Broker (each, a "Complaint"). A copy of any such Complaint received shall accompany such notice to the Lender. The Broker agrees to cooperate fully with the Lender in the resolution of each Complaint.

Section 7.04 Licensed Service Providers. All persons or entities used by the Broker to provide services with respect to an Application Package shall have at all relevant times all necessary and required licenses and certifications required by law for the service being provided. Service providers may be reviewed and approved by the Lender or as set forth in the Program Guidelines. The Broker shall be responsible for the acts, errors, and/or omissions of the Broker's service providers used in connection with an Application Package and/or the Broker Services.

Section 7.05 Compliance Training. The Broker agrees that it shall maintain an adequate and reasonable regulatory compliance and training program for the Broker and its personnel. The Broker agrees to provide the Lender upon the Lender's request evidence of the status of the Broker's current regulatory compliance program and procedures.

Section 7.06 Insurance. The Broker shall at all times maintain insurance in the amounts and coverages which may be required by the Lender and all applicable legal and investor requirements, from time to time.

Section 7.07 Authorization to Contact Service Providers. The Broker hereby grants permission and authorizes the Lender or any of its agents to contact any service provider that provided any service for any Application Package in order for the Lender to verify and confirm the accuracy and completeness of the information or service provided by the service provider. If any consent or other authorization of the Broker is needed by the Lender in order to obtain any of the forgoing, then such written authorization is hereby provided by this Section and may be relied upon by any such service provider.

Section 7.08 Termination. Either party may terminate this Agreement at any time without cause upon thirty (30) days' prior written notice to the other party. Further, the Lender may immediately terminate this Agreement upon providing notice thereof in the event the Broker is in breach of any provision hereof.

Section 7.09 Non-Solicitation. The Lender shall not solicit a Borrower that is the subject of an Application Package submitted to the Lender by the Broker for an additional Loan or similar mortgage loan products following the date of the Application. Notwithstanding the foregoing, the following solicitations, if undertaken by the Lender or any affiliate of the Lender, shall not be prohibited: (i) solicitations or promotions that are directed to the general public at large, including, without limitation, mass mailings based on mailing lists and newspaper, radio, television and other mass media advertisements; and (ii) solicitations made as a part of a campaign directed to borrowers with mortgage loans meeting certain defined parameters (other than parameters relating to the borrowers or Loans specifically), provided, that such solicitations are made to other borrowers of similar-type mortgage loans serviced by the Lender and such affiliates with respect to mortgage loans meeting such defined parameters, including, but not limited to, those mortgage loans serviced for the Lender's and/or such affiliates own account

**ARTICLE VIII  
MISCELLANEOUS**

Section 8.01 Notices. Except as otherwise provided for in this Agreement, all demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given upon receipt thereof if mailed, by registered, certified, or electronic mail, return or such other address as may hereafter be furnished to the other party by like notice. Any such demand, notice or communication hereunder shall be deemed to have been received on the date delivered to or received at the premises of the addressee (as evidenced, in the case of registered or certified mail, by the date noted on the return receipt).

(i) if to the Lender:

Acra Lending  
255531 Commercentre Drive, Suite 160  
Lake Forest, California 92630  
Attention: Broker Approval Department  
Email: Brokers@acralending.com

with a copy to:

Acra Lending  
255531 Commercentre Drive, Suite 160  
Lake Forest, California 92630  
Attention: Chetna Vora, General Counsel  
Email: Chetna.Vora@Acralending.com

(ii) if to the Broker:

Attention: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
Attention: \_\_\_\_\_

Section 8.02 Severability Clause. Any part, provision, representation, or warranty of this Agreement which is prohibited or unenforceable or is held to be void or unenforceable in any jurisdiction shall be ineffective, as to such jurisdiction, to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits

or renders void or unenforceable any provision hereof. 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 a structure the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity.

Section 8.03 Counterparts. This Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. The parties agree that this Agreement, any documents to be delivered pursuant to this Agreement, and any notices hereunder may be transmitted between them by email and/or by facsimile. Delivery of an executed counterpart of a signature page of this Agreement in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

Section 8.04 Governing Law Jurisdiction; Consent to Service of Process; Venue. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS THEREOF. With respect to any claim or action arising hereunder, the parties (a) irrevocably submit to the nonexclusive jurisdiction of the courts of the State of California sitting in Orange County and the United States District Court for the Central District of California, and appellate courts from any thereof, and (b) irrevocably waive any objection which such party may have at any time to the laying of venue of any suit, action, or proceeding arising out of or relating to this Agreement brought in any such court, and irrevocably waive any claim that any such suit action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 8.05 Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the Broker and the Lender and their respective successors and permitted assigns. This Agreement shall not be assigned, pledged or hypothecated by the Lender or the Broker to a third party without the consent of the other party. The Lender may sell the Loans to a subsequent owner. The Broker will reasonably cooperate with the Lender and any such subsequent owner, if applicable, with respect to reasonable requests regarding any such sale, all at the Lender's cost and expense.

Section 8.07 Waivers. No term or provision of this Agreement may be waived or modified unless such waiver or modification is in writing and signed by the party against which such waiver or modification is sought to be enforced.

Section 8.08 Exhibits. The exhibits to this Agreement, if any, are hereby incorporated and made a part hereof and are an integral part of this Agreement.

Section 8.09 Reproduction of Documents. This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers, and modifications which may hereafter be executed, (b) documents received by any party at the closing, and (c) financial statements, certificates, and other information previously or hereafter furnished, may be reproduced by any photographic, photostatic, microfilm, micro card, miniature photographic, electronic, digital or other similar process. The parties agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party in the regular course of business, and that any enlargement, facsimile, or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 8.10 Further Agreements. The Broker and the Lender each agree to execute and deliver to the other such reasonable and appropriate additional documents, instruments, or agreements as may be necessary or appropriate to effectuate the purposes of this Agreement.

Section 8.11 Remedies. In addition to the rights and remedies set forth herein, the Lender shall also be entitled to any other remedy otherwise available to the Lender at law or equity. The Lender may also offset any sum due to the Lender from the Broker against any sums due from the Lender to the Broker.

Section 8.12 Relationship of Parties. Nothing herein contained shall be deemed or construed to create a co-partnership or joint venture between the parties hereto and the services of the Broker shall be rendered as an independent contractor and not as agent for the Lender.

Section 8.13 Confidentiality. Each of the Broker and the Lender hereby agrees to fully comply with all applicable laws, rules, and regulations governing the confidentiality of any information acquired from or concerning the Borrowers. The Broker further agrees that all information provided pursuant to this Agreement by or on behalf of the Lender to the Broker is confidential and proprietary to the Lender, and the Broker shall not use or permit the use of any information provided by or on behalf of the Lender for any purpose other than as permitted or required for performance under this Agreement. If the Broker becomes aware of any threatened or actual violation of the obligations or restrictions set forth in this Section 8.14, including an actual or potential threat of unauthorized access to its systems impacting the information or data of the Lender, the Broker will promptly notify the Lender thereof and will assist the Lender with its efforts to terminate such access, to curtail such threatened or actual unauthorized use or disclosure, or to recover such information or materials.

Section 8.14 Waiver of Trial by Jury. EACH OF THE BROKER AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OR ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY OTHER DOCUMENTS AND INSTRUMENTS EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF THE COMPANY OR THE LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO THIS AGREEMENT.

Section 8.15 Amendment. This Agreement may be amended from time to time by the Broker and the Lender only by written agreement executed by the Broker and the Lender.

Section 8.16 Survival. Each party agrees that the representations, warranties, and agreements made by the Broker herein (including Sections 6.01, 6.02 and 6.03) shall survive the delivery and payment of the Broker Fee and the termination of this Agreement for the applicable statute of limitations period.

Section 8.17 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the matters and transactions contemplated by this Agreement and supersedes any prior agreement and understandings with respect to these matters and transactions.

*[remainder of page intentionally left blank; signature page immediately follows]*

IN WITNESS WHEREOF, the Broker and the Lender agree to be bound by the terms and conditions contained herein and have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first above written.

\_\_\_\_\_  
**(Broker)**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Citadel Servicing Corporation dba Acra Lending  
(Lender)**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**COMPENSATION ADDEUNDUM**  
**FOLLOWS**

**BROKER COMPENSATION ADDENDUM TO BUSINESS PURPOSE BROKER AGREEMENT**

This Broker Compensation Addendum (“Addendum”) is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between ACRA LENDING and its affiliates and subsidiaries and \_\_\_\_\_ (“Broker”). This Addendum amends and supplements the Business Purpose Loan Broker Agreement (“Agreement”) entered into by and between ACRA LENDING and Broker. Hereafter when read together, the Agreement and this Addendum shall constitute one integrated document.

WHEREAS, the Agreement describes the compensation to be received by Broker and additional representations and warranties from the Broker to ACRA LENDING;

WHEREAS, ACRA LENDING and Broker have agreed upon the terms to be included in this Addendum in the best interests of the parties.

NOW THEREFORE, in consideration of the mutual undertakings and covenants set forth in this Addendum, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. If completed and returned, this Addendum restates and supersedes any and all prior Broker Compensation Addenda previously attached to the Agreement.
2. ACRA LENDING and Broker agree that this Addendum will be effective for all business-purpose mortgage loans registered and assigned an ACRA LENDING loan number on or after the date of this Addendum. ACRA LENDING and Broker agree that the compensation levels specified below shall be effective unless and until amended. Any change to this Addendum will be effective immediately and will remain in effect until changed.
3. ACRA LENDING and Broker agree that the compensation provisions of the Agreement will be supplemented as follows:

a. Compensation paid by the Borrower

Borrower-Paid Compensation is compensation paid by the borrower to Broker from the borrower's own funds. Borrower- Paid Compensation may include seller concessions. Borrower-Paid Compensation is directly negotiated between Broker and borrower and may vary with each application, provided that, once Borrower-Paid Compensation is agreed upon and determined between Broker and borrower, it may not change unless the borrower requests changes to the application then such Borrower-Paid Compensation may be reasonably renegotiated. ACRA LENDING will not be responsible nor a party to any Broker negotiations with borrowers in a Borrower-Paid Broker Compensation transaction.

b. Compensation paid by the Lender (ACRA LENDING)

Lender-Paid Compensation is Broker compensation paid by ACRA LENDING to Broker. When Broker, for a given application, selects Lender-Paid Compensation, upon the funding of a mortgage loan resulting from the application, ACRA LENDING will pay to Broker the product of (i) the Lender-Paid Compensation rate; and (ii) the funded principal amount of the mortgage loan. Broker and ACRA LENDING may adjust lender paid compensation amounts throughout the life cycle of any loan application as agreed upon by both parties.

Broker shall select one of the following “Lender-Paid Compensation” Tiers:

- Tier: 0.25%    Tier: 0.50 %    Tier: 0.75%    Tier: 1.00%    Tier: 1.25%    Tier: 1.50%    Tier: 1.75%  
 Tier: 2.00 %    Tier: 2.25%    Tier: 2.50%    Tier: 2.75%    Tier: 3.00%    Select loan by loan

(Note: Please select your Broker Compensation tier carefully, as it must be all inclusive of broker fees, including, but not limited to: origination, processing, application, administration, etc.)

Broker may request a change to its effective Lender-Paid Compensation Rate. If ACRA LENDING agrees to a change to the Lender Compensation Rate as requested by Broker, then ACRA LENDING will issue an amendment hereto (an "Update Form") which will become effective the first business day following the business day ACRA LENDING receives a Broker executed Update Selection Form indicating Broker's newly elected Lender-Compensation Rate.

c. Additional Terms

**For all tiers:** If a loan is paid in full during the first one hundred and eighty (180) days following its funding date, then Broker shall pay to ACRA LENDING all Lender-Paid Compensation that was paid to Broker by ACRA LENDING with regard to such Mortgage Loan, if any. A payment due from Broker, in accordance with this paragraph, shall be paid to ACRA LENDING by Broker not later than ten (10) days following ACRA LENDING 's notice to Broker that such payment is owing.

If one or more of the first four payments due on a Mortgage Loan is paid more than sixty days after the date on which such payment was due, then Broker shall pay to ACRA LENDING all the Lender Paid Compensation that was paid to Broker by ACRA LENDING with regard to such Mortgage Loan, if any. A payment due from Broker, in accordance with this paragraph, shall be paid to ACRA LENDING by Broker not later than ten (10) days following ACRA LENDING 's notice to Broker that such payment is owing.

ACRA LENDING is hereby authorized, at any time and without presentment, demand, protest or other notice of any kind to Broker or to any other person, any such notice being expressly waived, to set off from any amounts due Broker from ACRA LENDING, any and all amounts due ACRA LENDING from Broker. This remedy is in addition to any other remedy ACRA LENDING may have at law or equity.

With the submission of this agreement and no later than ninety days after the end of Broker' s fiscal year, Broker shall deliver financial statements to ACRA LENDING , which will be prepared in accordance with generally accepted accounting principles, and either be audited by a certified public accountant, or which will be executed by the Broker's President, Controller, Managing Member, General Partner or Sole Proprietor, and which will include both a balance sheet and an income statement for the fiscal year most recently ended; upon ACRA LENDING 's request, Broker shall provide additional information about its financial condition to ACRA LENDING in accordance with a request therefor from ACRA LENDING .

The undersigned (each a "Guarantor"), jointly and severally (if more than one), absolutely and unconditionally guarantee the prompt payment to ACRA LENDING, including its successors and assignees, of any and all Obligations incurred by the Broker pursuant to the Agreement (this "Personal Guaranty"). Each Guarantor further agrees to repay the Obligations on demand, without requiring ACRA LENDING first to enforce payment against Broker. This is a guarantee of payment and not of collection. This is an absolute, unconditional, primary, and continuing obligation and will remain in full force and effect until the first to occur of the following: (a) all of the Obligations have been indefeasibly paid in full, (b) ACRA LENDING has terminated this Personal Guaranty, or (c) 30 days after the date on which written notice of revocation is actually received and accepted by ACRA LENDING. No revocation will affect: (i) the then existing liabilities of the revoking Guarantor under this Personal Guaranty; (ii)



Obligations created, contracted, assumed, acquired, or incurred prior to the effective date of such revocation; (iii) Obligations created, contracted, assumed, acquired, or incurred after the effective date of such revocation pursuant to any agreement entered into or commitment obtained prior to the effective date of such revocation; or (iv) any Obligations then or thereafter arising under the agreements or instruments then in effect and then evidencing the Obligations. Each Guarantor represents and warrants that it is a legal resident of the United States of America. Each Guarantor waives

all notices to which the Guarantor might otherwise be entitled by law, and also waives all defenses, legal, equitable, otherwise available to the Guarantor. This Personal Guaranty shall be construed in accordance with the laws of the State of California, and shall inure to the benefit of ACRA LENDING, its successors and assigns. To the extent not prohibited by applicable law, each of the undersigned Guarantors waive any right to a trial by jury of any claim or cause of action based upon, arising out of, or related to this guaranty, the Agreement and all other documentation evidencing the Obligations, in any legal action or proceeding. Any such claim or cause of action shall be tried by court sitting without a jury.

By signing below, Broker certifies that:

- Broker agrees to this Broker Compensation Addendum to the Agreement and understand that payment of this compensation must be properly disclosed per all legal and regulatory requirements;
- Broker understands that this Broker Compensation Addendum to the Agreement impacts all loans submitted to ACRA LENDING from all of our office locations.

Please Choose:

Broker has included the most recent company financial statement, including Balance Sheet and Profit & Loss statement, showing a minimum tangible net worth of \$50,000;

Or

Broker is giving ACRA LENDING a Personal Guaranty attached hereto as Exhibit A and as described herein and will be providing a personal financial statement.

**\*\*\*PLEASE EMAIL THIS COMPLETED FORM TO:  
[brokers@acralending.com](mailto:brokers@acralending.com)\*\*\***

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by their duly authorized representative who, by signing below, represent and certify as having the authority to bind the respective party to this Addendum.

**BROKER**

**ACRA LENDING**

By: \_\_\_\_\_

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## **Exhibit A Form of Personal Guaranty**

THIS PERSONAL GUARANTY is entered into as of this [ ] day of [ ], 20[ ], by the undersigned (each a "Guarantor"), in favor and for the benefit of Acra Lending ("Acra Lending"), pursuant to Section 6(e)(vii) of the Agreement between Acra Lending and [ ] ("Broker") dated as of [ ], 20[ ].

The Guarantor, jointly and severally (if more than one), absolutely and unconditionally guarantee (this "Personal Guaranty"), the prompt payment to Acra Lending, including its successors and assignees, of any and all obligations incurred by the Broker pursuant to the Agreement (the "Guaranteed Obligations"). Each Guarantor further agrees to repay the Guaranteed obligations on demand, without requiring Acra Lending first to enforce payment against Broker. This is a guarantee of payment and not of collection. This is an absolute, unconditional, primary, and continuing obligation and will remain in full force and effect until the first to occur of the following: (a) all of the Guaranteed Obligations have been indefeasibly paid in full, (b) Acra Lending has terminated this Personal Guaranty, or (c) thirty (30) days after the date on which written notice of revocation is actually received and accepted by Acra Lending. Neither Broker's amendment to the terms of the Agreement nor Broker's modification of the Guaranteed Obligations will act to reduce or negate Guarantor's obligation to repay the Guaranteed Obligations. No revocation will affect: (i) the then existing liabilities of the revoking Guarantor under this Personal Guaranty; (ii) Guaranteed Obligations created, contracted, assumed, acquired, or incurred prior to the effective date of such revocation; (iii) Guaranteed Obligations created, contracted, assumed, acquired, or incurred after the effective date of such revocation pursuant to any agreement entered into or commitment obtained prior to the effective date of such revocation; or (iv) any Guaranteed Obligations then or thereafter arising under the agreements or instruments then in effect and then evidencing the Guaranteed Obligations.

Each Guarantor represents and warrants that it is a legal resident of the United States of America. Each Guarantor waives all notices to which the Guarantor might otherwise be entitled by law, and also waives all defenses, legal, equitable, otherwise available to the Guarantor.

This Personal Guaranty shall be construed in accordance with the laws of the State of California, and shall inure to the benefit of Acra Lending, its successors and assigns.

To the extent not prohibited by applicable law, each of the undersigned Guarantors waive any right to a trial by jury of any claim or cause of action based upon, arising out of, or related to this guaranty, the Agreement and all other documentation evidencing the Guaranteed Obligations, in any legal action or proceeding. Any such claim or cause of action shall be tried by court sitting without a jury.

*[signatures on next page]*



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

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

ACCEPTED AND AGREED TO:

Citadel Servicing Corporation d/b/a Acra Lending

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name of Authorized Signer

\_\_\_\_\_  
Title of Authorized Signer



## Exhibit B Personal Financial Statement

Personal Financial Statement of: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 as of: \_\_\_\_\_

### An Important Note about your Privacy

Acra Lending a dba of Citadel Servicing Corporation ("Acra") agrees that the information you provide will be used by it and by its representatives solely to review the business relationship, or potential business relationship, between you and Acra and for no other purpose. Such information will be kept confidential by Acra and its representatives; provided, however, that any of such information may be disclosed only as necessary to representatives of Acra who need to know such information and who are actively and directly participating in the evaluation of the information (it being understood that such representatives shall be informed by Acra of the confidential nature of such information and shall be directed by the Acra to treat such information confidentially and for the limited purpose directed herein).

Assets	Amount in Dollars
Cash - checking /savings accounts	\$
Certificates of deposit	\$
Securities - stocks / bonds / funds	\$
Notes & contracts receivable	\$
Life insurance (cash surrender value)	\$
Personal property (autos, jewelry, etc.)	\$
Retirement Funds (eg. IRAs, 401k)	\$
Real estate (market value)	\$
Other assets:	\$
<b>Total Assets</b>	<b>\$</b>
Liabilities	Amount in Dollars
Current Debt (Credit cards, Accounts)	\$
Other Loans Payable (Car, Student)	\$
Taxes payable	\$
Real estate / mortgages	\$
Other liabilities:	\$
<b>Total Liabilities</b>	<b>\$</b>
<b>Net Worth (Assets - Liabilities)</b>	<b>\$</b>

ASSETS - Details			
<b>Cash</b>			
Bank Name	Available Balance		
	\$		
	\$		
	\$		
<b>Securities: stocks / bonds / mutual funds</b>			
Name of Security	Market Value	Date of Acquisition	
	\$		
	\$		
	\$		
	\$		
<b>Real Estate</b>			
Description / Location	Market Value	Amount Owed	Purchase Date
	\$	\$	
	\$	\$	
	\$	\$	
<b>LIABILITIES - Details</b>			
<b>Credit Card &amp; Charge Card Debt</b>			
Name of Card / Creditor	Amount Due	Monthly Payment	
	\$	\$	
	\$	\$	
	\$	\$	
<b>Other Loans Payable (Car Loans, Student Loans, etc)</b>			
Name of Creditor	Amount Owed	Monthly Payment	Interest Rate
	\$	\$	
	\$	\$	
	\$	\$	
<b>Mortgage / Real Estate Loans Payable</b>			
Name of Creditor	Amount Owed	Monthly Payment	Interest Rate
	\$	\$	
	\$	\$	
	\$	\$	

The undersigned hereby warrants and represents that the foregoing information is accurate and complete as of the date indicated. Acra is authorized to make all inquiries it deems reasonably necessary to verify the accuracy of the information set forth herein to determine my credit worthiness. You are further authorized to answer any questions concerning your credit experience with me.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## 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 Citadel Servicing Corporation dba Acra Lending and its affiliates and subsidiaries (“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



By signing the filled-out form, you:

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

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

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

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

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

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

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

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

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

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

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

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

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

## Backup Withholding

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

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

**Payments you receive will be subject to backup withholding if:**

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

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

Also see *Special rules for partnerships*, earlier.

## What is FATCA Reporting?

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

## Updating Your Information

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

## Penalties

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

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

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

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

## Specific Instructions

### Line 1

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

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

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

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

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

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

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

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

### Line 2

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

### Line 3

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

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

### Line 4, Exemptions

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

#### Exempt payee code.

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

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

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



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

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

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

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

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

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

B—The United States or any of its agencies or instrumentalities C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

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

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

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

G—A real estate investment trust

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

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

A bank as defined in section 581

K—A broker

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

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

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

## Line 5

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

## Line 6

Enter your city, state, and ZIP code.

## Part I. Taxpayer Identification Number (TIN)

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

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

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

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

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

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

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

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

## Part II. Certification

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

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

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

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

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

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.**

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

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

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

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

**What Name and Number To Give the Requester**

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

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

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

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

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

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

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

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

**Secure Your Tax Records From Identity Theft**

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

To reduce your risk:

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

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

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

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

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

**Protect yourself from suspicious emails or phishing schemes.**

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

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

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

Visit [www.irs.gov/IdentityTheft](http://www.irs.gov/IdentityTheft) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

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



# ROSTER OF MORTGAGE LOAN ORIGINATORS AND LOAN PROCESSORS

Company Name: \_\_\_\_\_

Please list all loan officers (LOs) and processors (LPs) originating and processing loans on behalf of your company. Please indicate if the person is an MLO, LP, or performs both in the column indicated.

	User Name (If LO, name per NMLS records)	Location (City/State)	NMLS #	Email Address (This will be the users login name)	Cell No. / Work No.	MLO, LP or Both	State(s) Licensed
1							
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**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.