



# COMBINED CONSUMER & BUSINESS PURPOSE BROKER APPROVAL PACKAGE

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

- Company Profile
- Combined Consumer and Business Purpose Broker Agreement; and Form W-9
- 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:** \_\_\_\_\_

3 Ada Parkway, Suite 200A, Irvine CA 92618  
(888) 800-7661 | [acralending.com](http://acralending.com)



### Broker Company Profile:

Company Name:			
Address:			
City:	State: (Select State)	Zip:	Main Phone:
Mailing Address (If Different):			
City:	State: (Select 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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **COMBINED CONSUMER AND BUSINESS PURPOSE BROKER AGREEMENT**

THIS Combined Consumer and Business Purpose Broker Agreement (the “Agreement”) is entered into as of this [ \_\_ ] day of [ \_\_ ], 20[ \_\_ ], by and between Citadel Servicing Corporation, a California corporation, dba Acra Lending having its principal office at 3 Ada Parkway, Suite 200A, Irvine, California 92618 and its affiliates and subsidiaries (“Acra”) and [ \_\_\_\_\_ ] a [ \_\_\_\_\_ ], having its principal office at [ \_\_\_\_\_ ] (“Broker”).

### **I. CONSUMER PURPOSE SPECIFIC LOAN BROKER TERMS (IF APPLICABLE)**

WHEREAS, Acra 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 prospective individual consumer borrowers in locating residential mortgage lenders to finance the purchase and / or refinance of residential property;

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

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

WHEREAS, Acra 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 with respect to consumer purpose loans:

#### **Section 1. Application and Amendment of the Broker Guide**

Acra has made available to Broker and Broker has accessed and reviewed the Acra’s most current, applicable Seller’s Guide (the “Guide”) and the Wholesale Residential Rate Sheet & Matrix (“Rate Sheet”) relating to the Loan Programs, as they are amended from time to time, which are incorporated by reference in their entirety into this Agreement. Broker has had the opportunity to ask questions of Acra concerning the Guide. Broker understands and agrees that Acra can amend, alter, modify, supplement, replace, or restate the Guide or Rate Sheet (an “Amendment”) at any time, in its sole discretion without the consent of or notice to Broker, and that Acra’s interpretation of the Guide and Rate Sheet, as applicable, shall be final and binding on Broker in all respects. Any amendment to the Guide or Rate Sheet shall become effective immediately upon posting to <https://acralending.com> 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 capitalized terms used herein shall have the meanings set forth in the Guide or Rate Sheet, as applicable.

### Section 3. Eligible Loans; Pricing

- a) Acra's Loan Programs and Product: Acra will accept only those Loan Applications which conform to the loan programs and products as set forth in the Guide, as amended from time-to-time ("Loan Programs and Products") then offered by Acra at <https://acralending.com> ("Eligible Loans"). Broker acknowledges that Acra 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 at all times. Broker shall be responsible for assuring that each application for an Eligible Loan ("Eligible Loan Application") submitted to Acra complies with all of the terms and conditions of the Guide, Loan Programs and Products, and the terms and conditions hereof at the time Broker registers the Eligible Loan Application with Acra.
- b) Eligible Loan Pricing: Acra shall make available to Broker, on a periodic basis, the Rate Sheet reflecting the most current rate and pricing information applicable to its Loan Programs and Products via the Acra website ([www.acralending.com](http://www.acralending.com)). Such Rate Sheet is subject to change in accordance with Section 1 above. Broker shall comply with the guidelines set forth in the Guide and/or Rate Sheet, as applicable concerning interest rates and lock-ins which apply to the particular Loan Programs and Products then offered by Acra.

### Section 4. Broker Requirements

- a) Taking of Loan Applications: Broker shall take Loan Applications in its own name (i.e., not in the name of Acra or any affiliate of Acra), through its employees or its qualified agents. All Loan Applications must have been originated and processed by Broker. Broker shall not submit third party originations under this Agreement. Broker shall review the applicable Guide and Rate Sheet before submitting any Loan Application.
- b) Submitting Loan Applications: Broker shall submit each Loan Application signed by the prospective borrower(s) and such credit, financial and other information as set forth in the Guide and / or as may be required by law through the Broker portal within two (2) Business Days of receipt of the Loan Application from the prospective borrower(s). For purposes of this Agreement, a "Business Day" means Monday through Friday, excluding federal legal holidays in the United States. Broker shall assist Acra in obtaining any additional information required or needed by Acra or to otherwise facilitate the closing of the loan transaction.
- c) 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 the following:
  - i. Comply with all local, state, and federal laws, and regulations applicable to Broker and as applicable to each loan and Loan Application arranged, processed or brokered by Broker, including all licensing laws and regulations, and all consumer and disclosure laws and regulations, including but not limited to, the Real Estate Settlement Procedures Act and Regulation X, the Fair Housing Act, the Equal Credit Opportunity Act and Regulation B, the Truth in Lending Act and Regulation Z, the Fair Credit Reporting Act, the Home Mortgage Disclosure Act, predatory lending laws, usury laws, laws applicable to consumer credit, 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, all as amended from time to time;
- ii. In compliance with applicable law, 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 Programs and Products available, and demonstrate how closing costs and monthly payments would vary under each Loan Program and Product;
  - iii. Collect financial information (e.g., 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;
  - iv. Initiate / order VOEs (verifications of employment) and VODs (verifications of deposits), and verify and review the same for completeness and accuracy;
  - v. Initiate / order request for mortgage and other loan verifications;
  - vi. Initiate / order appraisals;
  - vii. Initiate / order inspections or engineering reports;
  - viii. Assist prospective borrowers in understanding and clearing credit problems as needed;
  - ix. 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
  - x. Order legal documents.
  - xi. Provide its services using qualified, suitable and adequately trained staff. Broker will screen (including performing adequate background checks) all of its employees and its agents in accordance with applicable requirements and restrictions imposed by applicable law, regulation and industry standard for providers of mortgage broker services. Broker will not employ any person that has failed to meet the applicable screening requirements.
- d) Broker Origination and Closed Loan Commitment: If Broker engages in excessive or sustained inactivity, to be determined by Acra in its sole discretion, Acra reserves the right to and may impose an origination and closing commitment on Broker, to be identified by Acra at the time of imposition.

## **Section 5. Duties of Acra**

- a) Underwriting of Loan Applications: Acra shall solely be responsible for underwriting all Loan Applications provided by Broker. Acra shall have no obligation to approve or close an Eligible Loan Application which in its sole discretion does not meet Acra's underwriting requirements. In making its determination, Acra expressly disclaims any inference Broker may draw as to the general quality or acceptability of the Eligible Loan Application. Acra 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, Rate Sheet, 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 shall notify Broker of Acra'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. In the absence of any changes occurring or arising after its approval, Acra, 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.
- c) Acra, 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, or its agents, shall contact, and arrange with borrower and all other necessary parties, each loan closing. Acra, 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 shall be responsible for customer service and support with respect to requests for such Eligible Loans after they are closed.
- d) Disclosure and Closing Statement: Acra will provide any and all disclosures and Closing Statements (including but not limited to the Loan Estimate, Closing Disclosure, and other disclosures required by law or prudent lending practices) to prospective borrowers within the time periods required.

## **Section 6. Compensation; Personal Guaranty**

- a) The compensation to be received by Broker in connection with Loan Applications and additional terms and conditions related thereto is set forth in a Consumer Purpose Broker Compensation Addendum to Combined Consumer and Business Purpose Broker Agreement ("Consumer Purpose Broker Compensation Addendum") to be signed by Broker and as may be amended from time to time, which is incorporated herein by reference in its entirety.
- b) As a condition to entering into the Agreement, Acra may require, based on the financial threshold applicable to each Broker, Broker to guaranty the payment obligations of Broker under the Agreement pursuant to a personal guaranty (the "Personal Guaranty"). The form of Personal Guaranty is attached hereto as Exhibit A and is supported by the Personal Financial Statement attached hereto as Exhibit B.
- c) Acra 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.

## **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 issued pursuant to Section 504 of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) (the "Privacy Regulation"), and applicable information security safeguard regulations issued pursuant to Section 501 of the Gramm-Leach-Bliley Act ("Safeguard Guidelines"). Both parties

acknowledge that the Privacy Regulation and Safeguard Guidelines govern the disclosure and safeguarding 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 under this Agreement, and in any event in accordance with applicable Safeguard Guidelines.
- 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, and the recipient's use and disclosure of such 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 under this Agreement, and in any event in accordance with applicable Safeguard Guidelines; (iv) not make any changes to its security measures that would increase the risk of an unauthorized access or otherwise be inconsistent with applicable Safeguard Guidelines.
- 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 but in any event in accordance with applicable Safeguard Guidelines. 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 to enter into this Agreement and to perform its duties hereunder, Broker represents, warrants, and covenants to Acra, as of the date of this Agreement and as of the date each Eligible Loan Application is submitted to Acra, 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 (each, a "Mortgaged Property") 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 local, state, and federal laws, including, without limitation, all licensing laws and regulations, and all consumer and disclosure laws and regulations including but not limited to the Real Estate Settlement Procedures Act and Regulation X, the Fair Housing Act, the Equal Credit Opportunity Act and Regulation B, the Truth in Lending Act and Regulation Z, the Fair Credit Reporting Act, the Home Mortgage Disclosure Act, predatory lending laws, usury laws, laws applicable to consumer credit, 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, the Gramm- Leach-Bliley Act and the Privacy Regulation and Safeguard Guidelines, and state laws and regulations governing mortgage lending and mortgage brokerage, all as amended from time-to-time.

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

Broker is responsible for and is encouraged to consult with its own legal counsel or appropriate professional to ensure that it is adequately licensed to broker loans to Acra Lending.

- 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 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, Broker shall immediately advise Acra of such notice and deliver a copy of the notice to Acra.

- f) SAFE Act: To the extent applicable to a Loan Application arranged, processed or brokered by Broker, Broker attests to the fact they are in full compliance with the Secure and Fair Enforcement for Mortgage Licensing Act (the "SAFE Act"), including but not limited to, appropriate licensing and / or registration of individuals acting as Mortgage Loan Originators ("MLOs").
- g) Litigation: Except as previously disclosed in writing to and acknowledged in writing by Acra, neither Broker nor any of its agents or employees, 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 or borrower to Acra in this Agreement or in any Eligible Loan Application, schedule, exhibit, written statement, or document furnished to Acra 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 and its representatives with any necessary information and data concerning the affairs of Broker, as Acra 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) Credit Reports: Broker agrees that Acra is authorized to obtain business credit reports concerning Broker and, unless Broker is a publicly traded company, personal credit reports concerning those with a material interest (including ownership interest) in Broker ("Material Parties") as solely determined by Acra, if Acra in its sole discretion so elects. Broker represents and warrants that it has obtained its Material Parties' consents for Broker to provide the foregoing authorization on behalf of each Material Party, and for Acra to obtain their personal credit reports for this purpose. Without notice to Broker or Material Parties, Acra may periodically obtain both business credit reports concerning Broker and personal credit reports concerning Material Parties. Broker will notify Acra immediately of any change to its Material Parties or any change in control of Broker.
- k) 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 to enter into this Agreement and to perform its obligations hereunder, Broker represents warrants and covenants to Acra as to each Eligible Loan Application submitted to Acra as follows:

- a) Compliance with Laws: As of the date each Eligible Loan Application is funded by Acra, 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 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 documents related to the applicant that were used in evaluating the Loan Application and to originate the loan (“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 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. 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 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 thereunder, all in effect on the date the Eligible Loan Application is submitted to Acra. 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) Servicemembers 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 Servicemembers Civil Relief Act, as amended.
- h) Predatory Lending: To the extent applicable, 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, (b) a “high cost”, “threshold”, or “predatory” loan under any other applicable state, federal, or local law, or (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 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, 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 for purposes of purchase.

## Section 10. Loan Fraud Zero Tolerance

All Brokers must be aware that the licensed MLO under the Nationwide Mortgage Licensing System & Registry ("NMLS") 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 Loan Application taken and submitted to Acra. **Submission of a Loan Application containing false information is a crime punishable by law.**

- a) Loan Fraud: The following non-exhaustive list of activities are deemed to be loan fraud ("Loan Fraud"):
  - i. 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.
  - ii. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated on the security instrument.
  - iii. Lack of due diligence by Broker / MLO / processor, or anyone acting on Broker's behalf or at the direction of Broker, 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.
  - iv. Unquestioned acceptance of information or documentation that is known or should have been known or should be suspected to be inaccurate.
  - v. Allowing an applicant or interested third party to assist with the processing of the loan.
  - vi. Broker's non-disclosure of relevant information.
- b) Consequences of Loan Fraud on Acra: Broker hereby acknowledges that: (1) the effects of Loan Fraud are costly to all parties involved; (2) Acra stands behind the quality of its loan production; (3) fraudulent loans cannot be sold to investors in the secondary market and if sold, will require repurchase; and fraudulent loans damage Acra's reputation with those investors.
- c) Consequences to the Broker: By signing this Agreement, Broker hereby acknowledges that they have read the foregoing and fully understand Acra's position on Loan Fraud. Neither the Broker nor any party acting on 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, and Broker acknowledges that Loan Fraud may result in the following:
  - i. Criminal prosecution;

- ii. Loss of licenses;
- iii. Civil action by Acra or other parties to the transaction; and
- iv. Immediate loss of approval to business status with Acra.

### **Section 11. 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 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 shall at all times be entitled to rely on Broker's full, complete and faithful performance of its duties and responsibilities hereunder.

### **Section 12. Purchase and Loss Reimbursement**

- a) Events of Purchase / Repurchase: Broker shall in the case of Eligible Loans closed in Acra'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 Loan Fraud or negligence in the origination or processing of such Eligible Loan Application.
- b) Purchase / Repurchase: Acra 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 to cure any material breach in all respects (in the sole judgment of Acra). If such breach is not cured in Acra's sole judgment, the purchase shall be affected within ten (10) Business Days of receipt of written demand by Acra. 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 to Broker; plus any advances made by Acra 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. At the time of purchase or repurchase, Acra 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 may, at its sole discretion, permit broker to reimburse Acra for any loss and / or expenses incurred by Acra as a consequence of the occurrence of an event requiring repurchase. The determination by Acra of the nature and amount of such losses and / or expenses shall be final, conclusive, and binding. Broker shall remit to Acra the funds necessary to satisfy its obligations hereunder within ten (10) Business Days from demand of such funds by Acra.

### Section 13. Indemnification

- a) Non- Waiver of Remedies: Nothing contained in this Section 13 shall limit Acra'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 and its officers, directors, employees, agents, affiliates and subsidiaries harmless against and in respect of, and shall reimburse Acra for any and all losses, liabilities, claims, damages, costs, including without limitation attorneys' fees and costs, and actions suffered or incurred by Acra 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 hereunder. In all actions with third parties in which Acra has the right to be indemnified hereunder, Acra 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 14. Right of Setoff

Acra 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 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, any and all amounts due Acra from Broker. This remedy is in addition to any other remedy Acra may have at law or equity.

### 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 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 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 herein, Acra may terminate this Agreement immediately, upon written notice to Broker, (i) if Acra determines or reasonably suspects that fraud has occurred in the origination of any Eligible Loan Application or that Broker has failed to comply with applicable law in the performance of its obligations, (ii) if Broker fails to perform any of its obligations under this Agreement, (iii) if

any federal, state, county, local, and foreign law makes it unlawful for Acra and Broker to do business in accordance with the terms of this Agreement, or (iv) Guarantor seeks to revoke its obligations under the Personal Guaranty. If the Agreement is terminated by Acra under this paragraph, Acra 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.

- d) Survival: All of Broker's representations and warranties in Sections 7, 8, 9, and obligations of indemnification in Section 13, shall survive any termination of this Agreement, and shall be fully applicable whether or not Acra relies thereon or has knowledge of any facts at variance therewith. Notwithstanding the above, any provisions that by their nature are intended to survive the expiration or termination of this Agreement shall so survive the expiration or termination of this Agreement.

### **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 six (6) months has lapsed since the date of the Eligible Loan's initial closing with Acra. Acra will monitor the application of this Section 16 to Eligible Loans submitted by Broker. Should Acra determine, in its sole and exclusive discretion, as a result of such monitoring, that Broker is repeatedly soliciting mortgagors to refinance their Eligible Loan into a loan that does not provide the borrower with a "net tangible benefit" as may be defined under any applicable law, regulation, or guidance, otherwise known as loan "flipping," Acra may, in its sole and exclusive discretion, take actions to eliminate such activity, including restricting the amount of compensation Broker receive on refinance transactions.

### **Section 17. Loan Originator Compensation and Anti-Steering Attestation**

In compliance with loan originator compensation and anti-steering rules under the Truth in Lending Act as well as Regulation Z and amendments thereto, Broker hereby attests and affirms by signing this Agreement the following with no reservations to Acra. That for any and all loan transactions that are governed by the Truth in Lending Act and Regulation Z, Broker delivers to Acra the following is true:

- a) Neither the seller, borrower, nor any other party, has paid compensation based on the interest rate or other prohibited terms and conditions under the aforementioned regulations.
- b) For the purpose of increased Broker compensation, no consumer has been steered into a product or program by a loan originator.
- c) In Borrower-paid transactions, no person has paid compensation to the Broker, other than the borrower.
- d) For each type of transaction (for purposes of this subsection, "type of transaction" refers to mortgage loans with a fixed APR, variable rate APR, or a reverse mortgage) in which the consumer expressed interest, Broker:

- i. Obtained options from three or more creditors with which the Broker regularly does business. If Broker regularly does business with fewer than three creditors, then the Broker must obtain loan options from each of the creditors with which Broker regularly does business; and
- ii. Presented the consumer with loan options that the Broker, in good faith, believes the consumer qualifies, and includes in the presentation:
  - a. The loan with the lowest interest rate;
  - b. The loan with the lowest interest rate without negative amortization, a prepayment penalty, interest-only payments, a balloon payment in the first 7 years of the life of the loan, a demand feature, shared equity, or shared appreciation; or, in the case of a reverse mortgage, a loan without a prepayment penalty, or shared equity or shared appreciation; and
  - c. The loan with the lowest total dollar amount of discount points, origination points or origination fees (or, if two or more loans have the same total dollar amount of discount points, origination points or origination fees, the loan with the lowest interest rate that has the lowest total dollar amount of discount points, origination points or origination fees).
  - d. For each type of transaction, if Broker presents to the consumer more than three loans, Broker must highlight the loans that satisfy the criteria specified in subsection 4(b) above.

## Section 18. Miscellaneous

- a) Broker Grant of Limited Power of Attorney: Broker hereby appoints Acra and the directors, officers, employees, agents, successors and assigns of Acra 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, (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 may reasonably request to evidence the appointment of Acra as Broker's attorney-in-fact.
- b) Successors and Assigns: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. This Agreement is not assignable by the Broker without the prior written consent of Acra, which consent may be withheld by Acra at its sole discretion. A change in ownership, merger, or consolidation of Broker shall be considered an assignment for purposes 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 in writing by Broker, and if to Acra:

Citadel Servicing Corporation d/b/a Acra Lending  
3 Ada Parkway, Suite 200A  
Irvine, CA 92618  
Attention: Kyle Gunderlock, President and Chief Risk Officer

Or such other address as may hereafter be furnished to Broker by Acra 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 shall keep and maintain a complete and accurate account, satisfactory to Acra, of all funds collected and paid relating to the Loan Applications. Broker shall give Acra, 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 Guide. In addition, Broker will cooperate with Acra, its auditors and / or regulatory examiners in any audit of Acra and in any regulatory examination of Acra.
- e) Relationship of Parties: Neither party is the partner, agent, employee or representative of the other nor shall anything in this Agreement be construed or deemed to create a partnership, joint venture, agency or employment relationship between Acra and Broker. Broker shall conduct business in its own name and not in Acra's name. Broker shall not represent that its office is an office, branch or agency of Acra or in any other way connected with Acra. Broker shall have no authority to sign any documents on behalf of Acra, or to bind or obligate Acra 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 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, 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 other 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 and Rate Sheet, this Agreement may be amended from time to time by Broker and Acra 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 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 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 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 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.

## **II. BUSINESS PURPOSE SPECIFIC LOAN TERMS (IF APPLICABLE)**

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

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, Acra and the Broker agree as follows:

### **Section 1. Defined Terms**

For purposes of Article II. of this Agreement with respect to Business Purpose Loans, the following capitalized terms shall have the respective meanings set forth below.

- a) “Application Package” means the Borrower information submission form as set forth from time to time by Acra, including all additional forms, documents, and other information required by Acra from time to time for Acra to use to determine whether to close and fund a Loan.
- b) “Borrower” shall mean an applicant on an Application Package or an obligor on the related Mortgage Note, as applicable.
- c) “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.
- d) “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.
- e) “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.
- f) “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.
- g) “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 Acra under this Agreement.
- h) “Mortgage Note” means the original executed promissory note or other evidence of the indebtedness of a Borrower secured by a Mortgage.
- i) “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.
- j) “Program Guidelines” means Acra’s program guidelines, underwriting guidelines, requirements and product profiles, as set forth or revised by Acra from time to time, relating to the sourcing, originating, and processing of Loans and the Applications therefor.
- k) “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.

## Section 2. Originating, Processing, Underwriting and Funding of Loans

- a) Submitting Applications: Upon execution of this Agreement, the Broker may submit to Acra one or more Application Packages for Loans to be processed, underwritten, closed, and funded by Acra. All Loan Application Packages submitted to Acra under the terms of this Agreement shall comply with the Program Guidelines for Business Purpose Loans. The Broker shall submit Application Packages to Acra within one Business Day after collecting all of the information and documents required by the Program Guidelines in connection therewith.
- b) Program Guidelines: The Broker acknowledges and agrees that, from time to time, Acra may supplement, change, amend, or modify the Program Guidelines. The Broker shall access the most recent version of the Program Guidelines from Acra before submitting new Application Packages for Loans to Acra. All Application Packages submitted by the Broker to Acra under the terms of this Agreement must be submitted in accordance with the Program Guidelines then in effect, as provided by Acra to the Broker.
- c) Acceptance of Applications: Acra shall have the right to accept or reject any Application Package in its sole and absolute discretion. Acra will have no obligation, responsibility or liability to the Broker if Acra rejects an Application Package. If Acra accepts an Application Package, the Broker shall be deemed to have assigned, transferred and conveyed to Acra all of the Broker's right, title and interest in and to the Application Package and any related materials and information. Acra may, in Acra's sole and absolute discretion, perform such verifications and reverifications of appraised value, assets, and other such matters relating to an Application Package as Acra may deem necessary and in accordance with applicable law. After acceptance of an Application Package, Acra 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, Acra's acceptance of an Application Package does not create a commitment or obligation by Acra to close or fund a Loan. Acra will have no obligation or liability to the Broker for any Loan that is not closed by Acra or for any delays in the processing or closing of any Application Package.
- d) Submission of Information: The Broker shall present to Acra, 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 Acra. The Broker shall ensure that all information submitted to Acra for processing, underwriting, and review is complete, true, and accurate. Application Packages shall be underwritten by Acra in accordance with Acra's program specifications, current underwriting policies, and applicable law.
- e) Commitment and Rate Lock: The delivery date as stated in any commitment or rate lock issued by Acra may only be extended by Acra 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 Acra 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, Acra may require that the Broker pay and reimburse Acra for any and all losses, expenses, and damages incurred by Acra as a result of non-delivery or delayed delivery of such to the Borrower.
- f) Broker Fees:

- i. 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 Acra. The Broker hereby agrees to indemnify and hold Acra harmless from any third-party claims against Acra 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 Acra in order to accept or to underwrite an Application Package.
  - ii. Lender Paid Compensation: Acra shall pay compensation to Broker in the amounts and in the manner set forth in the Business Purpose Broker Compensation Addendum to Combined Consumer and Business Purpose Broker Agreement (“Business Purpose Broker Compensation Addendum”) to be signed by Broker and as may be amended from time to time, which is incorporated herein by reference in its entirety.
- g) Additional Services: Broker shall perform the following additional services only to the extent such services are (i) requested by Acra, and (ii) in accordance with applicable law:
- i. Pre-qualifying the prospective Borrowers to determine the maximum loan amount that the prospective Borrowers can afford;
  - ii. Advising the Borrower about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product;
  - iii. Collecting financial information and other related documents that are part of the application process;
  - iv. Initiating/ordering verifications of deposits (vods) and other applicable verifications;
  - v. Initiating/ordering requests for mortgage and other loan verifications;
  - vi. Providing disclosures to prospective Borrowers as required by applicable laws or by Acra;
  - vii. Maintaining regular contact with Borrowers and Acra between application and closing to apprise them of the status of the Application Package and to gather any additional information as needed;
  - viii. Analyzing the information provided by Borrowers and confirming that the Borrowers’ Applications comply with Program Guidelines, Acra requirements and applicable laws; and
  - ix. Providing such other processing and other services as may be required from time to time by Acra.

- h) 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 Acra in any such advertising unless (a) required by applicable law, and (b) Acra has, in advance, approved in writing the use of Acra's name and the manner in which Acra'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 Acra to the Broker that are intended for delivery to Borrowers. The Broker may not represent that Acra has approved or will approve any Application Package until Acra informs the Broker that Acra has done so. The Broker acknowledges that, subject to applicable law, Acra 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.
- i) Authorizations: By signing below, the Broker hereby authorizes Acra 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 Acra 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 Acra in connection with this Agreement and any recipient of such information, including Acra 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.

### **Section 3. 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 Acra, and as of the closing date for the Loan related to each Application Package, as follows:

- a) 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 Acra and updated from time to time, as applicable.
- b) 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.
- c) Compliance with Agreement: The Broker will perform and comply with all requirements in this Agreement.

- d) 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.
- e) Sole Owner: The Broker is the sole owner and holder of each Application Package it submits to Acra, and the Broker has the authority to assign, transfer, and convey to Acra each Application Package.
- f) 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.
- g) Compliance with Law: The Broker will perform the Broker Services and the requirements of this Agreement in compliance with all applicable laws.
- h) 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 Acra, 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.

#### **Section 4. 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:

- a) Application Package: Each Application Package submitted to Acra complies with the terms and conditions of this Agreement, including, without limitation, the Program Guidelines. All documents or instruments submitted by the Broker to Acra 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 Acra. 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.
- b) No Fraud: No fraud with respect to such Loan has taken place on the part of the Broker or by any Borrower.

- c) Events of Purchase / Repurchase: Broker shall, in the case of Loans closed in Acra's name, purchase or repurchase any Loan subject to this agreement, in the event of a material breach by Broker that adversely affects the value of such Loan, or of any covenant, condition, term, obligation, representation, or warranty related to such Loan contained in this Agreement or the Program Guidelines, or in such Application Package (and any documents submitted in connection with such Application Package), or in any written statement or certificate furnished by Broker pursuant to this Agreement or the Program Guidelines, including, without limitation, those arising from Broker's fraud or negligence in the origination or processing of such Application Package.
- d) Purchase / Repurchase: Acra 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 to cure any material breach in all respects (in the sole judgment of Acra). If such breach is not cured in Acra's sole judgment, the purchase shall be affected within ten (10) Business Days of receipt of written demand by Acra. 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 to Broker; plus any advances made by Acra 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. At the time of purchase or repurchase, Acra will arrange for the reassignment of the purchased or repurchased Loan to Broker.
- e) Loss and Expense Reimbursement: Notwithstanding the foregoing, and in lieu of requiring repurchase, Acra may, at its sole discretion, permit Broker to reimburse Acra for any loss and / or expenses incurred by Acra as a consequence of the occurrence of an event requiring repurchase. The determination by Acra of the nature and amount of such losses and / or expenses shall be final, conclusive, and binding. Broker shall remit to Acra the funds necessary to satisfy its obligations hereunder within ten (10) business days from demand of such funds by Acra.

## **Section 5. Acra Representations and Warranties**

Acra 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:

- a) Due Organization and Licensing: Acra is duly organized and existing in good standing under the laws of the state of its formation. Acra 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.
- b) Authority: Acra has all requisite power, authority, and capacity to enter into this Agreement and to perform all obligations required of it hereunder. Acra'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 Acra is a party.

## **Section 6. Indemnification**

- a) Indemnification: The Broker agrees to indemnify and hold Acra and its affiliates and their respective directors, officers, employees, agents, and representatives [collectively referred

to in this Section 6 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.

- b) 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.

### **Section 7. Covenants and Termination**

- a) Future Efforts: From time to time prior to and after the origination and funding of Loans, the Broker will furnish to Acra such information as the Broker may possess and as the Acra may reasonably request and will execute and deliver such other instruments as Acra may reasonably request.
- b) Audits: Upon receipt of ten (10) Business Days’ advance notice, the Broker shall permit any officer, employee, or designated representative of Acra, 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 Acra by the Broker under this Agreement. The Broker will make its officers, employees, or designated representatives reasonably available to Acra and shall reasonably cooperate with Acra in all such examinations, audits, and document and record collection activities.
- c) Notification of Inquiries: The Broker will promptly notify Acra 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 Acra. The Broker agrees to cooperate fully with Acra in the resolution of each Complaint.
- d) 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 Acra 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.

- e) 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 Acra upon Acra's request evidence of the status of the Broker's current regulatory compliance program and procedures.
- f) Insurance: The Broker shall at all times maintain insurance in the amounts and coverages which may be required by Acra and all applicable legal and investor requirements, from time to time.
- g) Authorization to Contact Service Providers: The Broker hereby grants permission and authorizes Acra or any of its agents to contact any service provider that provided any service for any Application Package in order for Acra 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 Acra 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.
- h) Termination: Either party may terminate this Agreement at any time without cause upon thirty (30) days' prior written notice to the other party. Further, Acra may immediately terminate this Agreement upon providing notice thereof in the event the Broker is in breach of any provision hereof.
- i) Non-Solicitation: Acra shall not solicit a Borrower that is the subject of an Application Package submitted to Acra 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 Acra or any affiliate of Acra, 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 Acra and such affiliates with respect to mortgage loans meeting such defined parameters, including, but not limited to, those mortgage loans serviced for Acra's and/or such affiliates own account.

## **Section 8. Miscellaneous**

- a) 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 Acra:  
Acra Lending  
3 Ada Parkway, Suite 200A  
Irvine, CA 92618  
Attention: Broker Approval Department



Email: Brokers@acralending.com

with a copy to:

Acra Lending  
3 Ada Parkway, Suite 200A  
Irvine, CA 92618  
Attention: Legal Department  
Email: Legal@citadelservicing.com

ii. If to Broker:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Email: \_\_\_\_\_

with a copy to:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Email: \_\_\_\_\_

- b) 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.
- c) 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.
- d) 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.

- e) Successors and Assigns: This Agreement shall bind and inure to the benefit of and be enforceable by the Broker and Acra and their respective successors and permitted assigns. This Agreement shall not be assigned, pledged or hypothecated by Acra or the Broker to a third party without the consent of the other party. Acra may sell the Loans to a subsequent owner. The Broker will reasonably cooperate with Acra and any such subsequent owner, if applicable, with respect to reasonable requests regarding any such sale, all at Acra's cost and expense.
- f) 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.
- g) Exhibits: The exhibits to this Agreement, if any, are hereby incorporated and made a part hereof and are an integral part of this Agreement.
- h) 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.
- i) Further Agreements: The Broker and Acra 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.
- j) Remedies: In addition to the rights and remedies set forth herein, Acra shall also be entitled to any other remedy otherwise available to Acra at law or equity. Acra may also offset any sum due to Acra from the Broker against any sums due from Acra to the Broker.
- k) 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 Acra.
- l) Confidentiality: Each of the Broker and Acra 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 Acra to the Broker is confidential and proprietary to Acra, and the Broker shall not use or permit the use of any information

provided by or on behalf of Acra 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(l), including an actual or potential threat of unauthorized access to its systems impacting the information or data of Acra, the Broker will promptly notify Acra thereof and will assist Acra with its efforts to terminate such access, to curtail such threatened or actual unauthorized use or disclosure, or to recover such information or materials.

- m) Waiver of Trial by Jury: EACH OF THE BROKER AND ACRA 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 ACRA. THIS PROVISION IS A MATERIAL INDUCEMENT FOR ACRA TO ENTER INTO THIS AGREEMENT.
- n) Amendment: This Agreement may be amended from time to time by the Broker and Acra only by written agreement executed by the Broker and Acra.
- o) Survival: Each party agrees that the representations, warranties, and agreements made by the Broker herein [including Sections 6(a) and 6(b)] shall survive the delivery and payment of the Broker Fee and the termination of this Agreement for the applicable statute of limitations period.
- p) Entire Agreement: This Agreement constitutes the entire agreement and understanding of the parties with respect to the matters and transactions contemplated by Article II of 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, Broker and Acra 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]

\_\_\_\_\_  
Citadel Servicing Corporation  
(d/b/a Acra Lending)

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

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

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

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

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

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

## CONSUMER PURPOSE BROKER COMPENSATION ADDENDUM TO COMBINED CONSUMER AND BUSINESS PURPOSE BROKER AGREEMENT

THIS Consumer Purpose Broker Compensation Addendum to Combined Consumer and Business Purpose Broker Agreement (“Consumer Purpose Addendum”) is entered into as of this [ \_\_ ] day of [ \_\_ ], 20[ \_\_ ], by and between Citadel Servicing Corporation d/b/a Acra Lending and its affiliates and subsidiaries (“Acra”) and [ \_\_\_\_\_ ] (“Broker”). This Addendum supplements Article I. of the Combined Consumer and Business Purpose Broker Agreement (“Agreement”) entered into by and between Acra and Broker. Hereafter when read together, the Agreement and the Addendum, if applicable, shall constitute one integrated document. Unless otherwise defined herein, the capitalized terms used herein shall have the meanings set forth in Article I. of the Agreement.

WHEREAS, Article I. of the Agreement describes the compensation to be received by Broker and additional representations and warranties from the Broker to Acra with respect to consumer purpose loans;

WHEREAS, Acra and Broker have agreed upon the terms to be included in this Addendum as 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:

- a) If completed and returned, this Addendum restates and supersedes any and all prior Consumer Purpose Addendum to the Agreement between the parties.
- b) Acra and Broker agree that this Consumer Purpose Broker Compensation Addendum will be effective for all consumer purpose mortgage loans registered and assigned an Acra loan number on or after the date of this Addendum. Acra and Broker agree that the compensation levels specified below shall be effective unless and until amended. Any change to this Consumer Purpose Broker Compensation Addendum will be effective immediately and will remain in effect until changed.
- c) Acra and Broker agree that the compensation provisions of the Agreement will be supplemented as follows:
  - i. Compensation paid by the Borrower:  
“Borrower-Paid Compensation” is compensation paid by the borrower to Broker from the borrower’s own funds. When Broker, for a given Loan Application, selects Borrower-Paid Compensation, the Borrower-Paid Compensation is directly negotiated between Broker and borrower and is agreed to prior to submitting the Mortgage File documents to Acra. Acra will not be responsible nor a party to any Broker negotiations with borrowers in a Borrower-Paid Compensation transaction. **FOR LOAN APPLICATIONS WHERE BROKER HAS SELECTED BORROWER-PAID COMPENSATION, BROKER MAY NOT RECEIVE ANY COMPENSATION DIRECTLY OR INDIRECTLY FROM ANY OTHER PARTY OR ENTITY TO THE TRANSACTION, OR OUTSIDE OF THE TRANSACTION, INCLUDING FROM ACRA.**

ii. Compensation paid by Acra:

“Lender-Paid Compensation” is compensation paid by Acra to Broker. When Broker, for a given Loan Application, selects Lender-Paid Compensation, upon the funding of a mortgage loan resulting from the application, Acra will pay to Broker the product of (i) the Lender- Paid Compensation rate (the “Tier”) and (ii) the funded principal amount of the mortgage loan. Broker acknowledges that, if so selected, a Lender-Paid Compensation Tier cannot vary a loan- by-loan basis. The Lender-Paid Compensation Tier must be all inclusive of Broker fees, including, but not limited to origination, processing, application, administration, etc. FOR LOAN APPLICATIONS WHERE BROKER HAS SELECTED LENDER-PAID COMPENSATION, BROKER MAY NOT RECEIVE ANY COMPENSATION FROM THE BORROWER OR ANY OTHER PARTY, PERSON OR ENTITY TO THE TRANSACTION, OR OUTSIDE OF THE TRANSACTION. BROKER CERTIFIES THAT WHEN COMPENSATION IS PAID BY ACRA SUCH AMOUNT IS AND WILL BE BROKER'S SOLE SOURCE OF RENUMERATION. For Loan Applications where Broker has selected Lender-Paid Compensation, Broker agrees that Broker cannot offer credits towards third party closing costs.

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

- |                                      |                                       |                                      |                                       |
|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> Tier: 0.25% | <input type="checkbox"/> Tier: 0.50 % | <input type="checkbox"/> Tier: 0.75% | <input type="checkbox"/> Tier: 1.00%  |
| <input type="checkbox"/> Tier: 1.25% | <input type="checkbox"/> Tier: 1.50%  | <input type="checkbox"/> Tier: 1.75% | <input type="checkbox"/> Tier: 2.00 % |
| <input type="checkbox"/> Tier: 2.25% | <input type="checkbox"/> Tier: 2.50%  | <input type="checkbox"/> Tier: 2.75% | <input type="checkbox"/> Tier: 3.00%  |

The Lender-Paid Compensation Tier selected for a Loan Application by Broker may not be changed for any reason while that submitted Loan Application is being processed. After a Loan Application is processed, Broker may request a change to its effective Lender-Paid Compensation Tier infrequently, on no more than a 60-day basis. The request for a change to the Lender-Paid Compensation Tier is subject to approval by Acra. If Acra agrees to a change to the Lender-Paid Compensation Tier as requested by Broker, then Acra will issue an amendment hereto (an “Update Form”) which will become effective the first Business Day following the Business Day Acra receives a Broker-executed Update Form indicating Broker’s newly elected Lender-Paid Compensation Tier.

iii. Permitted Decreases in Compensation:

In accordance with Regulation Z, Lender may reduce Broker’s Borrower-Paid or Lender-Paid compensation to defray the cost, in whole or part, of an unforeseen increase in an actual settlement cost over an estimated settlement cost disclosed to the consumer under section 5(c) of Real Estate Settlement Procedures Act (“RESPA”) or an unforeseen actual settlement cost not disclosed to the consumer under section 5(c) of RESPA.

iv. Rebate for Lender-Paid Compensation:

- a. **For all Lender-Paid Compensation 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 all Lender-Paid Compensation that was paid to Broker by Acra with

regard to such mortgage loan, if any. A payment due from Broker, in accordance with this paragraph, shall be paid to Acra by Broker not later than ten (10) days following Acra's notice to Broker that such payment is owing.

- b. **Loan Delinquency:** If one or more of the first four (4) payments due on a mortgage loan is paid by the borrower more than sixty (60) calendar days after the date on which such payment was due, then Broker shall pay to Acra all the Lender-Paid Compensation that was paid to Broker by Acra with regard to such mortgage loan, if any. A payment due from Broker, in accordance with this paragraph, shall be paid to Acra by Broker not later than ten (10) days following Acra's notice to Broker that such payment is owing.
- c. **Right of Setoff:** Acra 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 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, any and all amounts due Acra from Broker. This remedy is in addition to any other remedy Acra may have at law or equity.
- v. Additional Terms:
  - a. Broker may elect, on a loan-by-loan basis, to receive either Borrower-Paid Compensation or Lender-Paid Compensation. Once Broker selects either Borrower-Paid Compensation or Lender-Paid Compensation for a Loan Application, Broker may not thereafter change its selection.
  - b. The Broker acknowledges that when Lender-Paid Compensation is paid by Acra, such amount is and will be Broker's sole source of compensation. Broker will not charge the borrower(s) any additional fees, or accept any compensation in any form, at any time, from any party other than Acra.
  - c. Broker further agrees that, for a particular Loan Application, the aggregate of any and all Broker compensation will not exceed any threshold that would cause the mortgage loan to be deemed a "high cost" loan, a "threshold" loan, or a designation of similar import under applicable law.
  - d. Broker agrees that under no circumstance may Broker receive compensation from both the borrower and a party other than the borrower (including Acra) for the same mortgage loan (i.e., no dual compensation is permitted).
  - e. Broker agrees that under no circumstance will Broker be entitled to receive compensation in excess of the reasonable value of the goods, services, or facilities provided.
  - f. Broker shall be solely responsible for the payment of compensation to its MLOs. Broker agrees that all compensation paid by Broker to Broker's MLOs will conform with all legal and regulatory requirements including, as applicable, the Truth in Lending Act, Regulation Z, and the Official Staff Commentary of the CFPB.

- g. With the submission of this Addendum and no later than ninety (90) days after the end of Broker's fiscal year, Broker shall deliver to Acra copies of statements of Broker's financial condition, which shall include (i) Broker's most recent company financial statement, including Balance Sheet and Profit & Loss statement, showing a minimum tangible net worth of \$50,000 and (ii) in the event Broker provides a Personal Guaranty, the financial statement of the Guarantor set forth in Exhibit B. 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 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) or the Guarantor, as applicable. Upon Acra's request, Broker shall provide additional information about its financial condition to Acra in accordance with a request therefore from Acra.

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



By signing below, Broker certifies that:

- a) Broker understands and agrees to this Addendum to the Agreement.
- b) Broker understands and agrees that any payment of the compensation contemplated by this Addendum must be properly disclosed in accordance with applicable legal and regulatory requirements.
- c) Broker understands and agrees that this Addendum to the Agreement impacts all consumer purpose loans submitted to Acra Lending from all of Broker’s 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 would like to give Acra a Personal Guaranty attached hereto as Exhibit A and as described in the Agreement and will be providing a personal financial statement attached hereto as Exhibit B.

**\*\*\*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**

**Citadel Servicing Corporation  
(d/b/a 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 Citadel Servicing Corporation dba Acra Lending and its affiliates and subsidiaries (“Acra”), pursuant to Article 1. Section 6(b) of the Agreement between Acra and its affiliates and subsidiaries 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, 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 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 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. 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, 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.

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



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

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

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

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

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).

<b>Assets</b>	<b>Amount in Dollars</b>
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>
<b>Liabilities</b>	<b>Amount in Dollars</b>
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>

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

# Request for Taxpayer Identification Number and Certification

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

**Give form to the  
requester. Do not  
send to the IRS.**

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

<b>Print or type. See Specific Instructions on page 3.</b>	<b>1</b>	Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)		
	<b>2</b>	Business name/disregarded entity name, if different from above.		
	<b>3a</b>	Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.  <input type="checkbox"/> Other (see instructions) _____	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____  <i>(Applies to accounts maintained outside the United States.)</i>	
	<b>3b</b>	If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>		
	<b>5</b>	Address (number, street, and apt. or suite no.). See instructions.	Requester's name and address (optional)	
	<b>6</b>	City, state, and ZIP code		
	<b>7</b>	List account number(s) here (optional)		

## Part I Taxpayer Identification Number (TIN)

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

<b>Social security number</b>									
				-					
<b>or</b>									
<b>Employer identification number</b>									

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

## Part II Certification

Under penalties of perjury, I certify that:

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

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

<b>Sign Here</b>	Signature of U.S. person	Date
------------------	--------------------------	------

## General Instructions

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

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

## What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

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

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

**Caution:** If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

**By signing the filled-out form**, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee; and
4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and
5. 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).

**Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding.** Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441–1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

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

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

**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 (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(l)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

**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 their 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 their 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, but are not limited to, 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, as described in item 4 under "*By signing the filled-out form*" 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.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

## What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. 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 are no longer 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.

• **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 for 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 you filed with your application.

• **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or “doing business as” (DBA) name on line 2.

• **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** 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.

• **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. Enter any business, trade, or DBA name on line 2.

• **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner’s name on line 1. The name of the owner 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. 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, enter it on line 2.

### Line 3a

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

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or • Sole proprietorship	Individual/sole proprietor.
• LLC classified as a partnership for U.S. federal tax purposes or • LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	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 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

**Note:** A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

### 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 on 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 territory, 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 territory.
- 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 as defined under section 581.
- 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 Information, 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) entered 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 territory, 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, enter "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 ITIN. Enter it in the entry space for the Social security number. 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). 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 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/EIN](http://www.irs.gov/EIN). 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 Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "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, you will generally 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. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

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

## Part II. Certification

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

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

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

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

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

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

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

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

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account <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)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	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 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))**	The grantor*

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity <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
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 Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (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 on line 1, and enter your business or DBA name, if any, on line 2. 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.)

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

\*\* For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

**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 return 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 a questionable credit report, contact the IRS Identity Theft Hotline at 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 877-777-4778 or TTY/TDD 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 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.

Go to [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 territories for use in administering their laws. The information may also 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, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.

## 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”). Submission of a loan application containing false information is a crime punishable by law.

### Types of Loan Fraud

- a) 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.
- b) Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated on the Security Instrument.
- c) 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.
- d) Unquestioned acceptance of information or documentation that is known or should have been known or should be suspected to be inaccurate.
- e) Allowing an applicant or interested third party to assist with the processing of the loan.
- f) Broker’s non-disclosure of relevant information.

### Consequences

The effects of Loan Fraud are costly to all parties involved. Acra 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’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 Broker

- a) Criminal prosecution;
- b) Loss of licenses;
- c) Civil Action by Acra or other parties to the transaction; and
- d) Immediate loss of approval to business status with Acra.

I have read the foregoing and fully understand Acra’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.

\_\_\_\_\_  
Signature of Broker

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Principal Officer

\_\_\_\_\_  
Date



## **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 Citadel Servicing Corporation dba Acra Lending. That for any and all loan transactions you deliver to Acra Lending the following is true:

- a) 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.
- b) 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.



## **BUSINESS PURPOSE BROKER COMPENSATION ADDENDUM TO COMBINED CONSUMER AND BUSINESS PURPOSE BROKER AGREEMENT**

This Business Purpose Broker Compensation Addendum to Combined Consumer and Business Purpose Broker Agreement (“Business Purpose Broker Compensation Addendum”) is entered into as of the [ \_\_\_ ] day of [ \_\_\_ ], 20[ \_\_\_ ], by and between Citadel Servicing Corporation dba Acra Lending and its affiliates and subsidiaries (“Acra”) and [ \_\_\_\_\_ ] (“Broker”). This Business Purpose Broker Compensation Addendum amends and supplements Article II. of the Combined Consumer and Business Purpose Broker Agreement (“Agreement”) entered into by and between Acra and Broker. Hereafter when read together, the Agreement and this Business Purpose Broker Compensation Addendum, if applicable, 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 ;

WHEREAS, Acra 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:

- a) If completed and returned, this Addendum restates and supersedes any and all prior Business Purpose Broker Compensation Addendum previously attached to the Agreement.
- b) Acra 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 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.
- c) Acra and Broker agree that the compensation provisions of the Agreement will be supplemented as follows:
  - i. 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 will not be responsible nor a party to any Broker negotiations with borrowers in a Borrower-Paid Broker Compensation transaction.
  - ii. Compensation paid by Acra:  
Lender-Paid Compensation is Broker compensation paid by Acra to Broker. When Broker, for a given application, selects Lender-Paid Compensation, upon the funding

of a mortgage loan resulting from the application, Acra 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 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 agrees to a change to the Lender Compensation Rate as requested by Broker, then Acra will issue an amendment hereto (an “Update Form”) which will become effective the first business day following the business day Acra receives a Broker executed Update Selection Form indicating Broker’s newly elected Lender-Compensation Rate.

iii. 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 all Lender-Paid Compensation that was paid to Broker by Acra with regard to such Mortgage Loan, if any. A payment due from Broker, in accordance with this paragraph, shall be paid to Acra by Broker not later than ten (10) days following Acra’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 all the Lender Paid Compensation that was paid to Broker by Acra with regard to such Mortgage Loan, if any. A payment due from Broker, in accordance with this paragraph, shall be paid to Acra by Broker not later than ten (10) days following Acra’s notice to Broker that such payment is owing.

Acra 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, any and all amounts due Acra from Broker. This remedy is in addition to any other remedy Acra 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, 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's request, Broker shall provide additional information about its financial condition to Acra in accordance with a request therefor from Acra.

The undersigned (each a "Guarantor"), jointly and severally (if more than one), absolutely and unconditionally guarantee the prompt payment to Acra, 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 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 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. 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, 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.

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



By signing below, Broker certifies that:

- a) Broker agrees to this Business Purpose Broker Compensation Addendum to the Agreement and understand that payment of this compensation must be properly disclosed per all legal and regulatory requirements;
- b) Broker understands that this Business Purpose Broker Compensation Addendum to the Agreement impacts all loans submitted to Acra 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 a Personal Guaranty attached hereto as Exhibit A and as described herein and will be providing a personal financial statement attached hereto as Exhibit B.

**\*\*\*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**

**Citadel Servicing Corporation  
(d/b/a Acra Lending)**

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

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

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

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

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

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

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

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